



2021

ANNUAL REPORT



Building Homes, Transforming Lives, Impacting Communities

OLIVE TREE
ESTATES

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Sponsor statement

This annual report has been reviewed by the company's sponsor, RHT Capital Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Limited ("SGX-ST").

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the content of this report, including the correctness of any of the statements or opinions made or report contained in this annual report.

The details of the contact person is Ms. Bao Qing, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580. sponsor@rhtgoc.com.

JOINT MESSAGE FROM CHAIRMAN AND CEO

STRATEGIC DIRECTION AND CORPORATE INITIATIVES

Since our successful reverse takeover event in December 2017, the Company has repositioned itself as a sustainable 'be good, do good and for good' enterprise, with the provision of quality affordable housing as the cornerstone of our holistic and integrated social impact solution for the masses in emerging markets.

The Company, National Housing Organization Joint Stock Company ("NHO") and Emerging Markets Affordable Housing Fund Pte Ltd ("EMAHF") had on 18 March 2019 entered into a Covenant Partnership Agreement ("CPA") which expresses the Company's, NHO's and EMAHF's (collectively, the "Parties") mutual understanding regarding the proposed co-development of four projects in Ho Chi Minh City, Binh Duong, Ha Long and Hai Phong, Vietnam ("Initial Development Plan"). We also announced on 6 February 2020 that in addition to the CPA, the Company had entered into various definitive investment agreements with NHO and EMAHF for the purposes of acquiring an additional 1.3 hectares of land in Binh Duong province to build circa 1,100 affordable housing units ("1.3ha Binh Duong Project").

The acquisition of the land parcels, which are subject to the Initial Development Plan has been completed and if all requisite permits and licenses are secured, the Initial Development Plan and the 1.3ha Binh Duong Project are likely to yield approximately 6,100 affordable homes and more than 250 commercial units in purpose-built mixed-developments across Vietnam ("OTENHO Mixed Developments").

NHO is an established affordable and social housing developer in Vietnam with a track record of developing thousands of social and affordable housing units across multiple sites in Vietnam – <https://www.nhojsc.vn/home/>.

EMAHF is a Singapore-incorporated fund which is managed by Providence Capital Management Pte Ltd ("PCM"). PCM is a registered fund management company regulated by the Monetary Authority of

Singapore. EMAHF's consortium of investors include a tier-1 real estate developer ("Tier-1 Developer"), family offices and high-net worth individuals. With a committed capital in excess of US\$30 million (which has been fully deployed), EMAHF is independently managed by PCM but has been tethered to the Company for the purposes of the Initial Development Plan and the 1.3ha Binh Duong Project. Following on from the success of EMAHF, PCM has established another Vietnam-focused real estate fund ("VREF") for the purposes of supporting the Company's and NHO's aspirations of expanding their impact and influence in the provision of quality affordable housing. VREF's committed capital will be circa US\$40 million, with the Tier-1 Developer as its anchor investor.

It is currently anticipated that the OTENHO Mixed Developments will have an estimated aggregate gross development value in excess of US\$500 million and the Parties intend for the OTENHO Mixed Developments to showcase and deploy the Company's integrated social impact solution, comprising quality affordable homes and a suite of accessible and customized community development assets and family support services in dedicated Family Resource Centres ("FRCs").

We are pleased to share that the Company has already established 2 FRCs in existing NHO developments, with a third FRC slated to begin operations in the third quarter of 2022. These 3 FRCs will serve the needs of hundreds of families.

With the establishing of VREF and the potential support of new impact-oriented stakeholder partners, the Company and NHO are actively sourcing for other suitable development projects in Vietnam for the purposes of growing our defensive and sustainable business of providing residential real estate solutions for the lower to middle income demographic groups.

Through the COVID pandemic, our social impact partnership team has worked creatively and tirelessly, leveraging on technology and virtual meeting applications to increase sector-wide capacity through domain-specific (such as early childhood education, community development etc) and social services training programs and (in collaboration with our local

partners) supporting children, parents and families through various engagement platforms.

When Vietnam had to contend with the 4th wave of COVID infections in the third quarter of 2021, the Company successfully raised close to S\$60k from like-hearted donors to purchase life-saving oxygen concentrators, supporting the work of our partner doctors and ground-zero volunteers.

As the world emerges from the shadow of COVID, the Company remains very excited about rolling out our FRCs in existing NHO developments as well as future development projects.

With regards the management of our portfolio of investment and development properties in Singapore, the Company is pleased to share that as at the date of this Annual Report and in spite of the disruptions caused by COVID, we have sold all our remaining units at Tagore 8 and reached full occupancy with respect to the rental of our 13 units at One Commonwealth ("OCW"). The mortgages for the afore-mentioned 13 OCW units have also been refinanced on attractive terms.

IN APPRECIATION

We are a company committed to curating and providing a holistic and integrated social impact solution comprising quality affordable housing, community-based assets, customized social services and various other amenities to the masses and under-served in regional emerging markets.

We seek to serve all, regardless of race, language or religion and are driven to achieve this goal as an enterprise which is committed to be a positive force for good in our theatres of impact and influence.

We believe that the interests of our stakeholders and shareholders can be served by a Company that is underpinned by strong values, devoted to sustainable business practices and driven by a desire to do as much good as it can for those in need.

Whilst the Company is still very much in its infancy, we continue to make good and consistent progress with the beach-heads which have been established, particularly in Vietnam.

We have the basis to be optimistic about our shared future.

On behalf of the Board, we would like to express our heartfelt appreciation to our loyal shareholders, stakeholders, advisors, service-providers and fellow directors for your support of the Group through the years. We also say a special 'thank you' to our closely-knit team of employees who have worked relentlessly and sacrificially to bring our Company's vision to fruition.

We look forward to your continued support in the year ahead as we work together to grow the business and extend the influence and impact that is Olive Tree Estates Limited.

Daniel Cuthbert Ee Hock Huat

Independent Non-Executive Chairman

Daniel Long Chee Tim

Chief Executive Officer and Executive Director

25 March 2022

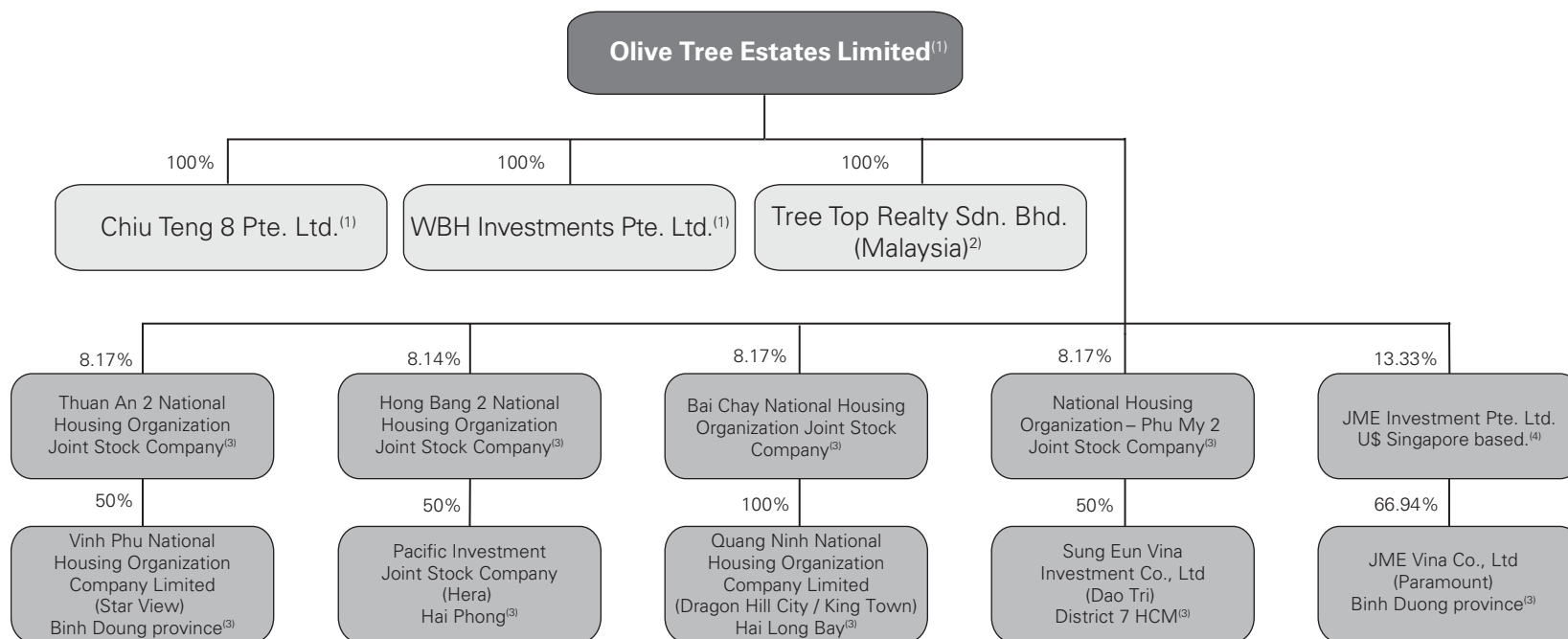
VIETNAM INVESTMENT PROJECTS OVERVIEW

PROJECTS IN KEY POPULATION & ECONOMIC AREAS IN NORTH AND SOUTH VIETNAM



<p>① D7: "Dao Tri"</p> 	<p>② HLB: "Dragon Hill"</p> 	<p>③ BD: "Paramount"</p> 
<p>Investment Date: 8/5/2019 OTE Investment: USD1.0m OTE Economic Interest: 4.1%</p>	<p>Investment Date: 6/5/2019 OTE Investment: USD0.9m OTE Economic Interest: 8.2%</p>	<p>Investment Date: 18/3/2019 OTE Investment: USD1.8m OTE Economic Interest: 8.9%</p>
<p>④ BD: "Starview"</p>		<p>⑤ HP: "Hera"</p>
		
<p>Investment Date: 6/2/2020 OTE Investment: USD1.0m OTE Economic Interest: 4.1%</p>	<p>Investment Date: 2/6/2020 OTE Investment: USD1.1m OTE Economic Interest: 4.1%</p>	

GROUP STRUCTURE



(1) Audited by Nexia TS Public Accounting Corporation ('Nexia TS').
 (2) Audited by Nexia SSY.
 (3) Audited by BDO Việt Nam.
 (4) Audited by EY Singapore (2020), audited by Nexia TS (2021).

Legend

- Holding company
- Subsidiary corporations
- Associated companies based in Vietnam in VND on US\$ investment

OPERATIONAL AND FINANCIAL REVIEW

REVIEW OF COMPREHENSIVE INCOME OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Group's revenue for the financial year ended 31 December 2021 ("FY2021") decreased by \$1.15 million as compared to the financial year ended 31 December 2020 ("FY2020") as a result of lower sales of development units at Tagore 8 offset by full tenancy at the One Commonwealth investment properties.

The lower gross profit for FY2021 of \$0.17 million also reflected fewer Tagore 8 units that were sold in FY 2021 compared to FY 2020.

The selling and administrative expenses for FY2021 increased by \$0.31 million due mainly to decrease in sales commission of \$0.08 million, staff salaries and \$0.12 million and \$0.06 million in professional fees.

Finance expenses decreased by \$0.05 million for FY2021 due mainly to lower interest rates on our outstanding loans and from loan repayment from the sale of all the three development properties at Tagore 8.

Other income for FY2021 decreased by \$0.61 million as compared to FY2020 due mainly to lower Government Job Support Scheme subsidies received of \$0.12 million and no rental support income in FY 2021. Other income in FY 2020 included the rental support income from the Company's controlling shareholder pursuant to the rental support agreement for 3 years from the date of the reverse takeover in December 2017 amounting to \$0.49 million.

Other losses for FY2021 decreased by \$0.78 million due mainly to fair value gain from the valuation of financial assets, at FVPL (convertible loans) of \$0.06 million in FY 2021 compared to fair value loss of \$0.21 million in FY 2020.

FY 2020 also included the discount on rental support from the controlling shareholder of \$0.23 million and the write-off of \$0.27 million with respect to the deposit paid for the purchase of Kempas land as the agreement in relation to the project to develop the Kempas land had lapsed, further details of which had been disclosed in the Company's announcement on 28 September 2020.

Share of losses from associated companies of \$0.03 million consist mainly of operating cost as the development properties in Vietnam are still under construction. The losses also included the deemed interest on amortisation of the convertible loans.

As a result of the above, the Group recorded a loss before income tax of \$1.01 million in FY2021, as compared to a loss before income tax of \$1.70 million in FY2020.

The income tax expense of \$0.16 million in FY2021 is due mainly to the utilization of the deferred tax of \$0.06 million from the sale of development property and tax expense of \$0.1 million on the higher rental income of the investment property.

As a result of the above, the Group's net loss after tax in FY2021 was \$1.17 million as compared to net loss of \$1.65 million in FY2020.

REVIEW OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2021

As at 31 December 2021, the Group total current assets consisted mainly of cash and bank balances, trade and other receivables, deferred tax assets and development properties.

Cash and bank balances increased by \$0.8 million from \$1.78 million as at 31 December 2020 to \$2.63 million as at 31 December 2021 due to new loans obtained offset by investment in Vietnam associates.

Trade and other receivables increased by \$0.01 million from \$0.20 million as at 31 December 2020 to \$0.21 million as at 31 December 2021 due to increase in deposit and grant receivables.

Deferred tax assets of \$0.06 million has been utilized in FY 2021 with the sale of the development property.

There were no development properties in 31 December 2021 due to sale of the remaining unit in Tagore 8 during FY 2021.

Non-current assets related to other receivables, investment properties, property, plant and equipment, investment in associated companies, financial assets, at FVPL and financial assets, at amortised cost.

Other receivables of \$0.18 million consist of non-current rental support receivables from the Company's controlling shareholder.

Investment properties decreased by \$0.60 million from \$10.4 million as at 31 December 2020 to \$9.75 million as at 31 December 2021 due to depreciation charged for FY2021.

Investments in associated companies increased by \$0.06 million from \$4.90 million as at 31 December 2020 to \$4.96 million as at 31 December 2021 due mainly to share of loss of associated companies of \$0.03 million offset by foreign currency translation reserve gain of \$0.09 million.

Financial assets, at FVPL increased by \$1.05 million from \$1.56 million as at 31 December 2020 to \$2.61 million as at 31 December 2021 due to the investment in Hong Bang 2 National Housing Organization Joint Stock Company ("NHO HB2") of \$0.99 million and offset by fair value loss of \$0.06 million.

Current liabilities comprised trade and other payables, borrowings, and current income tax liabilities.

Trade and other payables decreased by \$2.09 million from \$3.84 million as at 31 December 2020 to \$1.75 million as at 31 December 2021. The decrease was due mainly to the repayment of loans from a director and a shareholder of the Company which amounted to \$1.53 million and accrued GST payable of \$0.2 million arising from the sale of developmental property in FY 2020.

Total borrowings increased by \$3.17 million from \$9.50 million as of 31 December 2020 to \$12.67 million as of 31 December 2021 due to the new loan of \$5 million obtained in FY 2021 which is offset by repayment of mortgage loan from the sale of development properties at Tagore 8 of \$1.83 million.

Total shareholders' equity as at 31 December 2021 amounted to \$6.0 million and comprised mainly share capital of \$7.95 million, reverse acquisition reserve with a debit balance of \$10.60 million, foreign currency translation reserve of \$0.01 million and retained profits of \$8.63 million.

Share capital remained unchanged at \$7.95 million for both 31 December 2021 and 31 December 2020.

The reverse acquisition reserve remained unchanged with a debit balance of \$10.60 million for both 31 December 2021 and 31 December 2020.

Retained profits reduced by \$1.17 million from \$9.80 million as at 31 December 2020 to \$8.63 million as at 31 December 2021 due to net loss for FY2020.

REVIEW OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

For FY2021, the Group's net cash inflow from operating activities amounted to \$0.48 million arising mainly from the sale of the remaining unit of development properties at Tagore 8.

For FY2021, the Group's net cash outflow from investing activities amounted to \$0.99 million arising from additional investment in the financial assets at FVPL.

For FY2021, the Group's net cash outflow from financing activities amounted to \$1.36 million due mainly to new bank loan obtained under Enterprise Singapore support scheme, offset by repayment of bank mortgage borrowings and loans from a director and a shareholder of the Company.

For FY2021, the Group had a net cash outflow of \$0.85 million.

BOARD OF DIRECTORS

DANIEL CUTHBERT EE HOCK HUAT

Independent Non-Executive Chairman

Daniel Ee was appointed as the Independent Non-Executive Chairman of the Company on 22 December 2017. Mr. Ee is also the independent non-executive chairman of Keppel Infrastructure Fund Management Pte Ltd, the trustee manager of Keppel Infrastructure Trust. He is an independent director of Ascendas Funds Management (S) Limited, the Manager of Ascendas Real Estate Investment Trust, and a board member of the Singapore Mediation Centre. Since 1999, Mr. Ee has been on the boards of various companies as an independent director. He had served in various capacities in the public sector before moving to investment banking in 1985 where he held senior management positions. He was the Managing Director then Chief Executive of Standard Chartered Merchant Bank from 1994 to 1999. Mr. Ee graduated with a Bachelor of Science (First Class Honours) from Bath University in the United Kingdom in 1975 and has a Master of Science (Industrial Engineering) from the National University of Singapore. He was awarded the Public Service Medal in 2003.

DANIEL LONG CHEE TIM

Chief Executive Officer and Executive Director

Daniel Long is our Chief Executive Officer and was appointed on 1 January 2018. He first joined our Group on 29 July 2015 as a Non-Executive, Non-Independent Director. He was subsequently tasked with transforming the company and restructuring our business and was re-designated as our Acting Chief Executive Officer on 3 February 2016. Daniel Long is a Corporate and Securities lawyer by training. Having obtained his Bachelor of Laws in the United Kingdom, he obtained his post-graduate qualifications from the National University of Singapore and subsequently joined a leading corporate practice. He later entered the employment of Standard Chartered Merchant Bank Asia ("SCMBA") and advised on initial public offerings, private-equity fund raisings, mergers and acquisitions etc. Mr. Long was instrumental in the initial public offering of MMI Holdings Limited ("MMI") whilst he was at SCMBA and subsequently joined MMI to head its Technology and Strategic Investment division. During his time with MMI, he also established MMI TechnoVentures ("MMITV"), a joint venture private equity fund with Standard Chartered Private Equity ("SCPA"). In 2000, Mr. Long joined an investee of MMITV, Ecquaria Technologies Pte Ltd ("Ecquaria") as Chief Financial Officer overseeing the company's finance, human resource, administration and MIS functions. He was subsequently promoted to Deputy CEO and Head of Sales and Marketing. Mr. Long left Ecquaria in 2007 to co-found Providence Capital Management Pte Ltd ("PCM"), a registered fund management company regulated by the Monetary Authority of Singapore. Mr. Long is currently a director of PCM. PCM manages and advises a number of umbrella funds and multiple special purpose investment vehicles across a range of asset classes. PCM's clients and stakeholders include financial institutions, family trusts and high-net worth individuals.

SOH GIM TEIK*Independent Director*

Mr Soh Gim Teik is our Independent Director that was appointed to the Group on 1 September 2021. He is a Partner in Finix Corporate Advisory LLP. He has extensive experience in corporate advisory and governance, finance and general management. He was previously an executive director and Chief Financial Officer of a Singapore-listed company and has many years of boardroom experience. Mr Soh is a director of Wilmar International Limited, another Singapore-listed company. He also serves on the boards of The Farrer Park Company Pte Ltd, Consortium for Clinical Research and Innovative Singapore Pte Ltd, SDAX Exchange Pte Ltd and Agency for Science, Technology and Research (A*Star). Mr Soh is the Chairman of Farrer Park Hospital Pte Ltd, Deputy Chairman of the Singapore Science Centre as well as the Chairman of the Audit and Risk Committee of MOH Holdings Pte Ltd. Mr Soh holds a Bachelor of Accountancy degree from the then University of Singapore.

ALAN CHEONG MUN CHEONG*Independent Director*

Alan Cheong Mun Cheong is our Independent Director and was appointed to our Group on 3 February 2016. With over twenty years of real estate and financial sector experience, Alan is presently Executive Director of Savills Research & Consultancy, covering the local and regional markets in areas of market research, financial studies and holding seminars. Alan began his career in real estate research in 1990 with the Urban Redevelopment Authority focusing on property market forecasts and government land supply policy. Subsequently, he joined UOB where he was involved with project financing for large real estate deals. Alan was also the acting head of equity research for Prudential Securities, covering regional real estate and infrastructure companies before moving to the OCBC Group where he raised capital for companies and REITs during their Initial Public Offering. Alan also has experience in big data analysis – consumer risk analytics and was the head of portfolio analytics at DBS Asset Management. Alan is a triple-degree holder; a good honours degree in Estate Management from National University of Singapore, a Bachelor of Science degree in Mathematics from the Open University (UK) and a Graduate Diploma in Statistics from the Royal Statistical Society (RSS) of which he is a Graduate Statistician. He is also an Honorary Advisor to the Real Estate Developers Association of Singapore's (Real Estate Consultancy sub-group).

KEY MANAGEMENT

Alan Wong Tuan Keng

Chief Financial Officer

Alan Wong is our Chief Financial Officer. He was appointed on 3 February 2020 and is responsible for the Group's financial matters as well as enterprise risk management and serve as the Data Protection Officer. Prior to joining us, Alan has held senior finance leadership positions (including CFO and Vice President) in GMG Global, PT Telkomsel, Singtel and Neptune Orient Lines. He was also a nominee director on several subsidiary boards and joint venture companies in the emerging markets of Asia and West Africa. Alan holds a Master of Business Administration from the University of Strathclyde and a Bachelor degree in Accountancy from the National University of Singapore. He has also attended the supply chain management program with INSEAD, corporate finance program with Singapore Management University and IT project management program with the Singapore Institute of Systems Science. He is a Fellow Chartered Accountant (FCA) with the Institute of Singapore Chartered Accountants and CPA Australia.

Paul Yang

Country Director, Vietnam

Paul Yang was appointed as our Country Director of Vietnam in March 2019. Prior to joining the Group, Paul was involved with business consulting and real estate development companies in Vietnam. Born in South Korea but raised in Thailand, Paul's rich experience in cross cultural settings across South East Asian countries, Korea and the United States is a tremendous asset to the Group as we go about executing on our social impact mission in emerging markets in the region. Since moving to Vietnam from the United States in 2014, Paul has actively immersed himself in Vietnam to better understand the complexities of cross-cultural differences and to discover effective connection points between Vietnam and other cultures/countries. Crucially, Paul has significant social impact domain experience and he used to work with a global NGO headquartered in the United States as its executive liaison and international development consultant across the non-profit and private sectors in South East Asia. He holds a Masters degree in Intercultural Studies from Nyack University, New York and a Bachelors degree in International Business from Rutgers University, New Jersey.

Theodore Teo Tze Tzeow

Director, Partnerships

Theodore Teo joined us on 18 October 2021 as our Director of Partnerships and Capacity Building. He focusses on building collaboration with stakeholders in the Group's ecosystem, leveraging the strengths of strategic partners to bring about positive social impact together. Theodore is passionate about equipping people to be the best versions of themselves so as to increase their sphere of influence in society. Theodore comes with a background from all three aspects of the Public, People and Private ecosystem of active citizenry; These areas include social impact volunteer-leader equipping, corporate philanthropy, institutional partnership for large scale social impact, non-profit management, national policy execution on youth development, university students' social impact management and community development in ASEAN. Theodore also served in the Management Committee of the UN Global Compact Network, Singapore, for five years, supporting Singapore companies as they embark on their sustainability journeys. Theodore graduated with a B.Sc. in Anthropology and Human Geography from the University of Western Australia. His passion for intercultural work stems from his roots in Scouting where a Scout is a friend to all. He volunteers in the International Volunteerism Association, Safe Cycling advocacy, and in the Singapore University of Social Sciences' Adventure and Experiential Leadership Resource Panel. He is also an adjunct lecturer in the Singapore University of Social Sciences and the Ngee Ann Polytechnic.

Peter Woo

Assistant Director Business Development and Special Projects

Peter Woo joined us in January 2019 as our Manager of Business Development and Special Projects. Prior to joining the Group, he was a private equity associate at Riverside Partners in Boston, Massachusetts, where he evaluated investments in growing healthcare companies. Peter began his career at William Blair & Company in Chicago, Illinois as an investment banking analyst, and holds a Bachelor's degree in Finance and Philosophy from the University of Notre Dame in South Bend, Indiana.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Daniel Cuthbert Ee Hock Huat
(Independent Non-Executive Chairman)

Daniel Long Chee Tim
(Chief Executive Officer, Executive Director)

Soh Gim Teik *(Independent Director)*

Alan Cheong Mun Cheong *(Independent Director)*

AUDIT COMMITTEE

Daniel Cuthbert Ee Hock Huat *(Chairman)*

Soh Gim Teik

Alan Cheong Mun Cheong

NOMINATING COMMITTEE

Soh Gim Teik *(Chairman)*

Daniel Cuthbert Ee Hock Huat

Alan Cheong Mun Cheong

REMUNERATION COMMITTEE

Alan Cheong Mun Cheong *(Chairman)*

Daniel Cuthbert Ee Hock Huat

Soh Gim Teik

REGISTERED OFFICE

3 Philip Street
#16-02A Royal Group Building
Singapore 048693

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd.
1 Harbourfront Avenue,
Keppel Bay Tower #14-07
Singapore 098632

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants
80 #25-00
Robinson Road
Singapore 068898
Director in charge: Loh Hui Nee
(since financial year ended 31 December 2021)

CATALIST SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay, #24-02
Singapore 048580

COMPANY SECRETARY

Lim Heng Chong Benny
Jacqueline Anne Low

SUSTAINABILITY REPORT

*Find the gifts and talents
of everyone in the community.*

*Find a place for that gift,
utilise that gift in ways
that build
community,
economy,
and mutual delight.*

*- DeAmon Harges,
Active Faculty, ABCD Institute*

SUSTAINABILITY REPORT

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This sustainability report has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This sustainability report has not been examined by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms Bao Qing, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to present our fifth annual sustainability report.

At Olive Tree Estates Limited (the "**Company**", "**OTE**", "**Olive Tree Estates**", or "**We**", and together with its subsidiaries, the "**Group**"), we are committed to be a front and centre social impact company and are resolute in our vision to build homes, improve lives and transform communities for the underserved masses in regional economies.

We are excited about rolling out our integrated and holistic social impact platform which will encompass quality and affordable residential housing units, education, healthcare, social services and other amenities as may be necessary to support families and nurture sustainable and strong communities.

As a listed company, we view the SGX sustainability reporting mandate as an excellent opportunity to share our vision, hopes and aspirations with you.

In our last report, we discussed the importance of embedding sustainability throughout our business strategy. In this report, we will present our expanded vision to you, which expresses our growing commitment to sustainability. We have also assessed the Environmental, Social and Governance ("**ESG**") factors that are important to us as we press forward in our journey.

The Board has been involved in the process of assessing the ESG factors which are relevant to OTE and will keep oversight of their governance and management in future.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

As mentioned, this is our fifth annual Sustainability Report, covering our sustainability strategy for the financial year ended 31 December 2021 ("**FY2021**").

This report has been prepared in line with the SGX-ST Listing Rule 711a and 711b. The structure and content of the report is drafted with reference to the internationally recognized Global Reporting Initiative ("**GRI**") Standards and the UN Sustainable Development Goals ("**SDG**") framework.

The report identifies the ESG factors as contextualized against our operations and business. On the back of our maiden investments in Vietnam over FY 2019 and FY2020, the report increasingly covers both proposed and actual policies, practices and performance measures for most of the identified material ESG factors. However, we will share outcomes of significant stakeholder engagements through the year in review which demonstrate our commitment to actualizing our mission over the long term.

The common thread in this report would be our continued emphasis on building authentic relationships rooted in trust, understanding and mutual respect with our eco-system of stakeholders - a critical prerequisite in ensuring that as OTE's social impact plans unfold, our various projects and initiatives are only rolled out with the right partners who share a common aspiration to support the underserved masses.

In this report, we continue to affirm our commitment to sustainability even in the midst of the COVID-19 pandemic. The deep trust which we have firmly established with our principal partners in the OTE eco-system before the pandemic struck has enabled us to execute our business and social impact plans under the most challenging of circumstances.

We will continue to produce sustainability reports on an annual basis and will include disclosures on the material topics going forward.

We have not obtained external assurance for this report but may consider doing so in future. We are fully committed to listening to our stakeholders and actively welcome feedback. Should you have any questions about this report, please feel free to reach us at theodoreteo@olivetreeestates.com

CORPORATE PROFILE

We are headquartered in Singapore and listed on the Singapore Exchange ("**SGX**").

At Olive Tree Estates, we are committed to curating and providing a holistic and integrated social impact solution comprising affordable housing, community-based assets, customized social services and various other quality amenities to support the masses in regional emerging markets.

Our initial areas of focus are regional economies, including Vietnam, Indonesia and Cambodia, with our maiden investments and deployments being in Vietnam.

In FY2021, we continued to build on the progress we made in recent years. Having identified like-minded partners and domain specialists, we continued discussions with them as to how we might best deliver a customized suite of amenities and services to nurture the development of communities in our residential housing developments.

In the second quarter of FY2018, we had the privilege of meeting a reputable affordable housing developer in Vietnam, namely National Housing Organization JSC ("**NHO**"). NHO has already delivered on thousands of social and affordable housing units across Vietnam and critically, is committed to social impact and corporate social responsibility.

SUSTAINABILITY REPORT

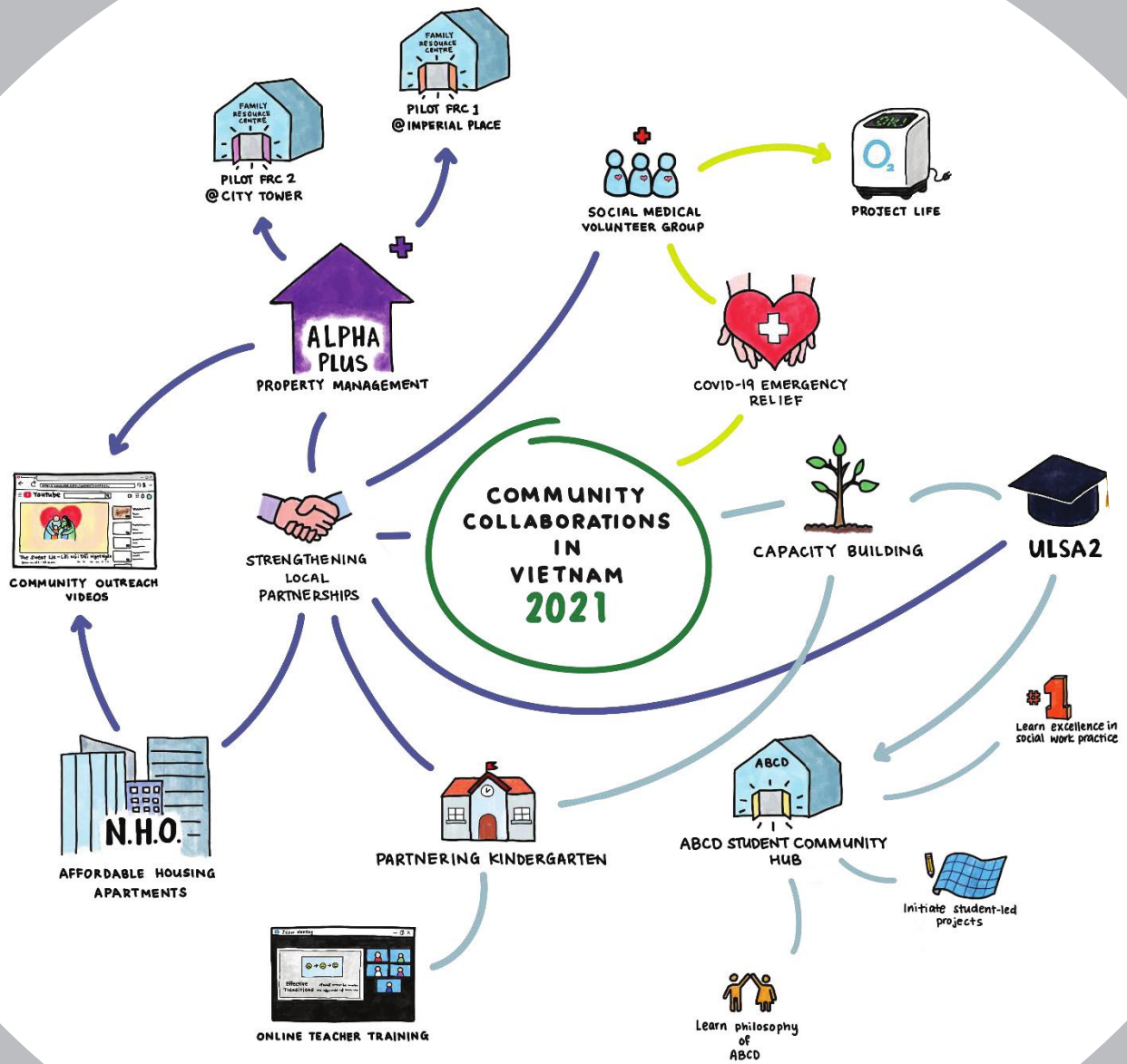
We have since cemented our partnership with NHO and the Emerging Markets Affordable Housing Fund Ltd ("**EMAHF**") and we have co-invested with NHO and EMAHF in 5 residential housing development projects across Vietnam for the purposes of building more than 6,000 houses over the next 5 years or so. We continue to work actively with NHO to identify additional plots of land for acquisition and are committed to further investments in Vietnam.

Over the course of FY2021, we also derived rental income from our ground floor units at One Commonwealth and all of our industrial B1 units at Tagore 8 have been sold as of end March 2021.

Across our theatres of operation in Singapore and Vietnam, we were as of 31 December 2021 a team of 7 permanent employees.

Olive Tree Estates is an official member of Singapore Centre of Social Enterprise (raiSE), joining many companies in Singapore where business is applied as a force for good. We continue to work towards accreditation as a sustainable B-Corp company.

SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

OUR SUSTAINABILITY STRATEGY

With social impact at the core of our mission, Olive Tree Estates Limited continues to stay focused on serving the masses and underserved in emerging Asia by providing them with quality affordable housing. Staying true to our tagline of “Building Homes, Improving Lives, Transforming Communities”, we strive to go above and beyond providing just apartments for our residents. Through coming alongside the residents in our estates, we hope that our integrated Family Resource Centres (“**FRCs**”) with learning and education activities would help them to realise a flourishing and vibrant community life that they can call their own.

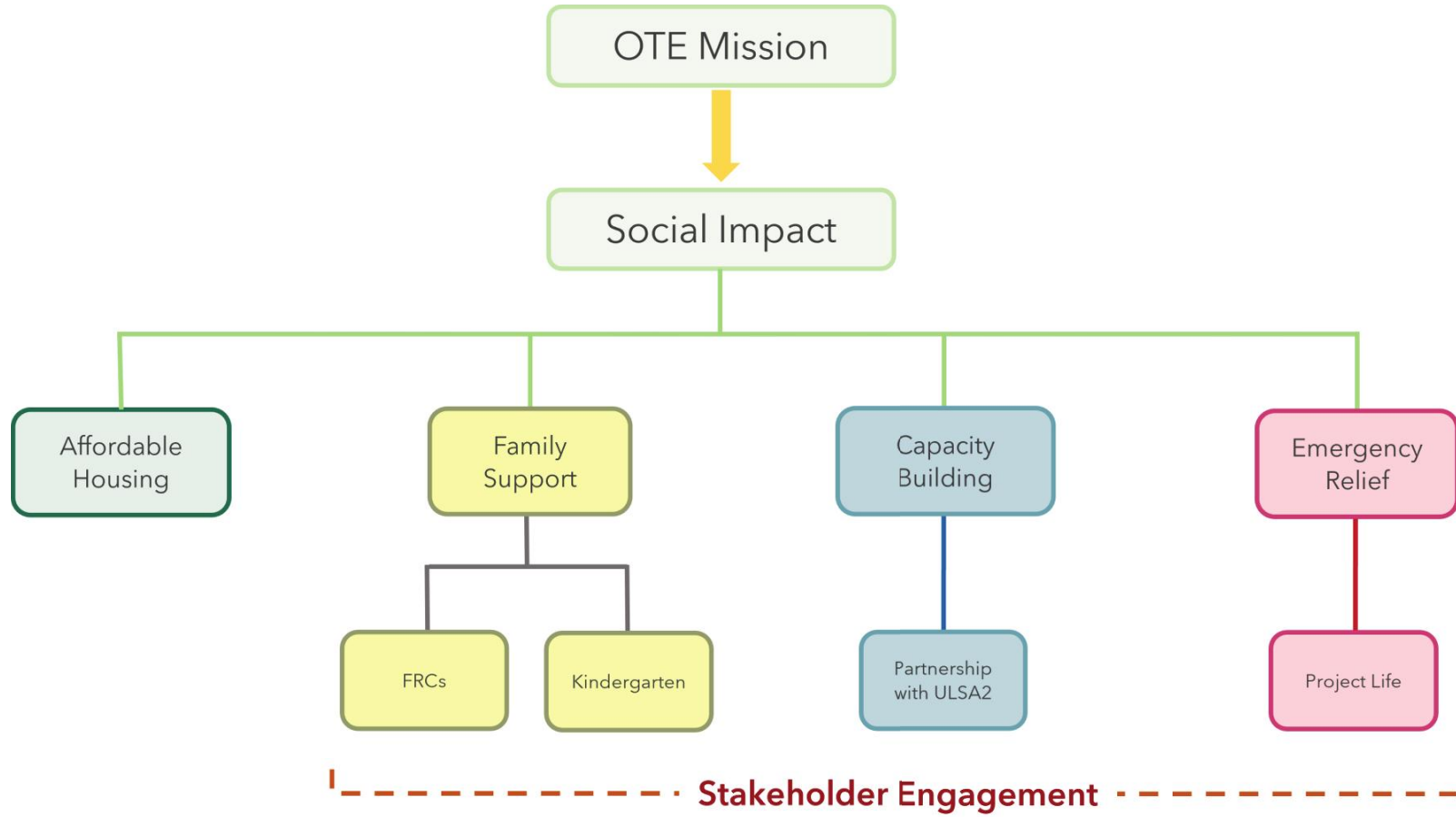
We firmly believe that a community cannot succeed on its own, but only thrives when the larger ecosystem grows in tandem. As such, we continue to support the larger local community beyond the walls of our estates through our strong partnership with the University of Labour and Social Affairs 2 (“**ULSA2**”). We are privileged to collaborate with a like-minded local university that is invested in building up the social service sector and committed to healthy community development in Vietnam.

In contrast to the year before, the COVID-19 Delta-variant hit Vietnam hard in 2021. Many were caught off-guard with the sudden surge in cases in the middle of the year. Hospitals and healthcare infrastructure were pushed to their limits and many locals who contracted the virus found themselves having to contend with self-medication at home. We were blessed to have helped them through this dark period with Project Life - a collaboration with local ground-up medical volunteer groups to distribute medicine and oxygen concentrators purchased through the collection of donations. Doctors on the team also provided medical consultation and advice over the phone to worried ailing patients. Thankfully, Vietnam bounced back through a highly successful ‘vaccine-diplomacy’ campaign and recovered as a nation with vaccination rates rising quickly. We at OTE are grateful to have been able to play our part for the country that has become a second home to many of us.

As we simultaneously broaden and sharpen our social impact, OTE continues to use the SDGs to guide our steps to build a sustainable enterprise that aims to be a force for good in the corporate space.

For more information, please refer to the table on Material Topics and Impacted SDGs.

SUSTAINABILITY REPORT



OUR AFFORDABLE HOUSING ESTATES

Building affordable housing for the masses is a blue ocean opportunity in the SEA region. Together with our local partner NHO, we aim to provide quality affordable housing to meet this ever-growing demand while achieving sustainable returns.



2024

Dragon Castle

Ha Long City,
Quang Ninh Province

1,544 units

Hera

Hai Phong City,
Hong Bang District

1,379 units



2025

Starview

Thuan An City,
Binh Duong Province

1,098 units



2026

Dao Tri

District 7, Ho Chi Minh City

1,265 units



2026

Paramount

Thu Dau Mot City,
Binh Duong Province

1,309 units



2026

5 
PROJECTS

across

 **4**
CITIES

serving


~6,500
FAMILIES

by

2026

FAMILY SUPPORT

OTE recognises that it takes more than a roof over our heads to call a place 'home'. In preparation of setting up family support facilities in our upcoming estates, OTE has partnered with Alpha Plus Property Management to run pilot projects in our local partner NHO's estates.

FAMILY RESOURCE CENTRES

Our Family Resource Centres (FRCs) are built with the sole purpose of enriching community life for residents and providing support for families. Currently, initial programmes are mostly targeted towards children with more in the pipeline for adults. In the spirit of ABCD, we hope that our FRCs will be an outlet for residents to share ideas, exchange skills, and take action to better each others' lives.

2 PILOT SITES

IMPERIAL PLACE

📍 An Lac, Ho Chi Minh City



January 2021

1,115 households

LAUNCHED

SERVING

CITY TOWER

📍 Tuan An, Binh Duong



December 2021

527 households

FACILITIES

- Children's library
- Play area
- Meeting Rooms
- Study Rooms



Unfortunately, due to the fourth wave of COVID-19 cases brought about by the potent Delta variant, the FRC had to be closed for majority of the year, putting a stop to many of the physical activities.

5 PILOT PROGRAMMES

For Children

- Art and Craft Class
- English Class
- Reading Programme (physical + online)
- Sports Programme



For Adults

- Calligraphy Class



IN 2021,

28 SESSIONS* with **203 CHILDREN** attendances

*sessions typically last 1-1.5h

OTHER EVENTS



Residents and artists teamed up to beautify the walls of their blocks with murals!

'Living with Art' Project



It was a night of festive performances by residents and the Alpha Plus staff. In the spirit of giving, they also had the chance to purchase some fundraising goods from the booth set up by NGO Maison Chance.

Christmas Party



We really appreciate our partner, Alpha Plus, for their excellent work. All this could not have been achieved without them!

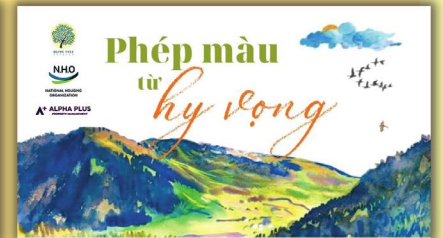
COMMUNITY OUTREACH VIDEOS

It was a long lockdown. Families stuck at home, kindergartens closed, establishments shut, daily life disrupted...
The future seemed uncertain and mental health was badly affected

Even though the FRC was shut, Alpha Plus started up a [YouTube channel](#) to continue engaging the residents. OTE x NHO x [Life Radio](#) - a local Vietnamese community team that runs their own YouTube channel - collaborated by creating four monthly uplifting videos to contribute to the channel.

This short series of videos aimed to bring light to that dark period by sharing stories of hope.

click to view! ➔



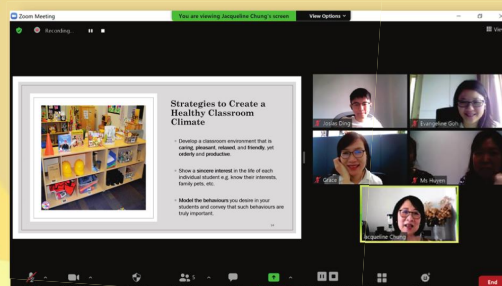
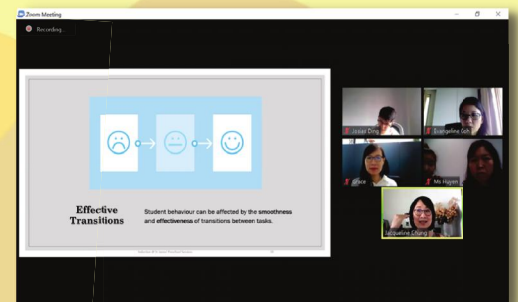
4 UPLIFTING VIDEOS supporting mental health
470+ TOTAL VIEWS

KINDERGARTEN

TEACHER TRAINING

Our partner kindergarten was greatly affected by the pandemic. It had to shut down for the majority of the year.

We continued our teacher training sessions over Zoom with renowned early childhood expert Dr Jacqueline Chung - Academic Director of Anglican Preschool Services (APS) in Singapore.



CAPACITY BUILDING

In 2019, OTE signed an MOU with ULSA2 to promote Excellence in Social Work Practice. We have been working closely with the university to advance the local social services sector through trainings and collaborative opportunities. We will be renewing our MOU with ULSA2 in the upcoming year to continue this strong partnership and the work that has been started.



About ULSA2

Established in 1976, the University of Labour and Social Affairs (Campus 2) is located in Ho Chi Minh City and is the only public higher education institute of the Ministry of Labour – Invalids and Social Affairs (MOLISA) specialising in social work, human resource management, accounting, and business administration.

THE ULSA2-OTE ABCD STUDENT COMMUNITY HUB

END 2020



Planning with the social work student leaders and getting them familiar with ABCD as they dream up the hub.

What is ABCD?

Asset-based Community Development is an approach that looks at building up communities by focusing on strengths from within, in contrast to the traditional view that help is best rendered from the outside and through external 'experts'.

LAUNCH IN MARCH 2021



A HUB OF...

- **DISCOVERING STRENGTHS**
- **COLLABORATION & LEARNING**
- **GIVING BACK TO THE COMMUNITY**



Due to the fourth wave of COVID-19 cases brought about by the potent Delta variant, Ho Chi Minh City was met with strict lockdown measures to curtail the spread of the virus. This occurred in late April 2021, just after the launch of the ABCD student community hub. As such, many of the activities and plans for the hub spelled out in our MOU had to be postponed indefinitely. Moving forward, we hope that as the COVID-19 situation subsides we will be able to continue and press on with the plans we set out to achieve.

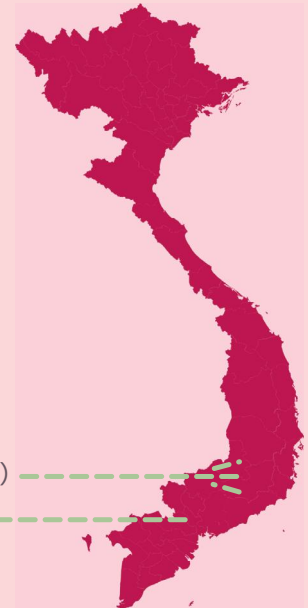
EMERGENCY RELIEF

2021 was a tough year for Vietnam as they were hit hard by the COVID-19 pandemic. Vietnam has become akin to a second home for many of us over the past few years. Seeing the struggles that they were going through, we felt that we had to do something to help despite being unable to travel.

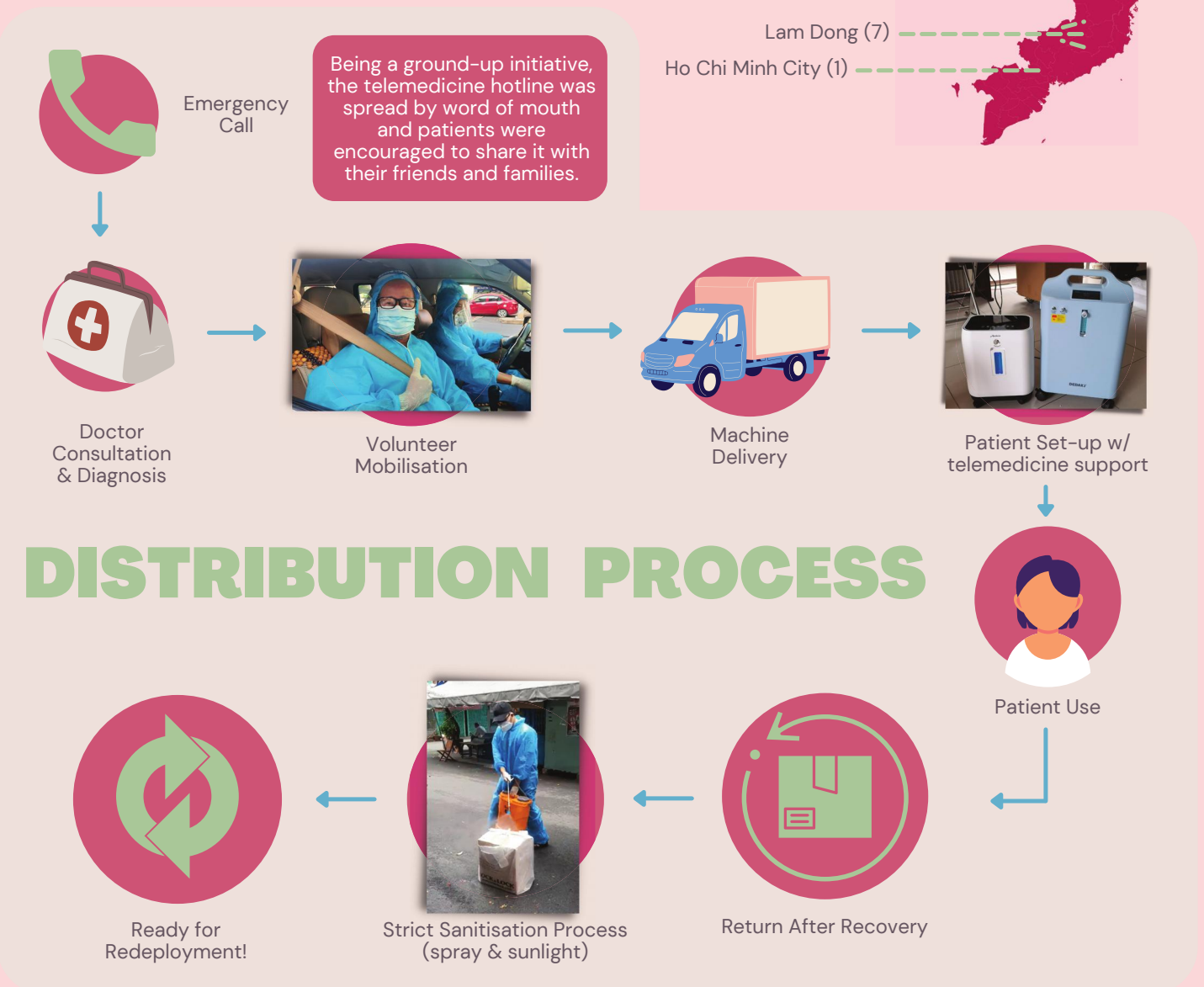
PROJECT LIFE

Project Life is an ongoing collaboration between OTE and Social Medical Volunteer Group. Social Medical Volunteer Group is a team of doctors and volunteers who supported many COVID-19 patients struggling in their homes with oxygen concentrators, telemedicine consultation, and ancillary supplies. OTE has been privileged to work alongside this dedicated team of volunteers through fundraising efforts among close contacts.

36 OXYGEN CONCENTRATORS
8 LOCATIONS
32 LIVES RELIEVED TO DATE



We deeply appreciate the generosity of our donors to answer this need from the bottom of our hearts. Without them, we would have been able to impact as many lives as we did!



SUSTAINABILITY REPORT

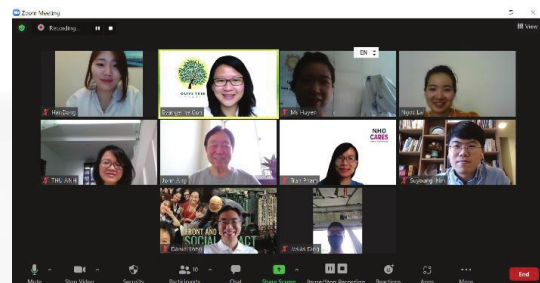


OTHER STAKEHOLDER ENGAGEMENT

EMPLOYEE WELLBEING

As the pandemic raged on in 2021, the year was full of ups and downs. The local safe-distancing measures reflected the uncertain season as well, constantly changing as the government kept pace with the daily tally of infections. Not wanting to add to the stress that often accompanies such changes, OTE maintained flexible working arrangements throughout the year. Employees were given the option to work from home or the office, depending on whichever was more convenient for them. This allowed them to better accommodate any new caregiving or childcare arrangements with their families.

The wellbeing of our employees is always on the forefront of our minds. Antigen Rapid Test ("ART") kits were purchased as soon as they were available locally and provided to our employees. With the ability to test themselves regularly, it provided peace of mind for them and their families. This initiative was further supplemented by the additional ART kits provided by MOH further down the line. Not forgetting our partners in Vietnam, several batches were also purchased and sent to them before they were readily available there.



As in the year prior, employees continued to expand their capability and capacity through the attendance of online webinars and the rare in-person training workshop. Internal training sessions were once again organised for our staff and eco-system of partners through engaging industry experts from the social services and early childhood education field. All in all, we clocked a total of 170 training man-hours. This is down from the record 720 training man-hours clocked the year prior as we were building up our knowledge base then while the pandemic was raging on, and operations were put on hold. This year we focused on tapping on that knowledge and collaborating

SUSTAINABILITY REPORT

with our partners even while they were hit hard by COVID-19. We then turned our efforts to 'Project Life' as we supported them through that trying period.

The ability to conduct meetings online has undeniably been an invaluable asset to us in the past few years. It has enabled us to press on with important business matters despite the restrictions on travel and social gatherings. However, we acknowledge that with such meetings in the online sphere taking up the bulk of our interactions in the past 2 years, we have dearly missed the face-to-face gatherings and the incidental conversations that arise through casual social engagements. We tried our best to facilitate this while keeping in mind each other's safety and wellbeing. It was not easy with restrictions fluctuating and changing, but we capitalised on the periods when they eased to go on team hikes and enjoy each other's company.

COMMUNITY CONTRIBUTIONS

The team also rallied together to support Lakeside Family Services in their '4ward Together 4 Million Steps' campaign to raise funds for ex-offenders and their families. '4ward with Lakeside Family Services' was OTE's effort to clock in a million steps together as a contribution to their cause. It was no simple feat as restrictions prevented us from conducting large team walks. Instead, we had to clock our own steps individually through daily



walks and runs. The encouragement we received from each other multiplied our efforts and we managed to surpass our initial target by hitting a total of 1.2 million steps within a month!

Another angle of looking at community is from the perspective of a community of practitioners (often known as COP). Our CEO, Mr Daniel Long, had the honour of speaking on a panel during Asia Infrastructure Forum 2021. Along with other private sector experts and government representatives, he shared his views to further the conversation and thought leadership to build up possible public private partnerships in regional development projects in Cambodia. He shared OTE's own experiences in providing holistic and integrated affordable housing solutions in Vietnam.



OLIVETREE
ESTATES



4ward with Lakeside Family Services

We did it!

520k steps walked by our CEO
760k steps walked by our Team



SUSTAINABILITY REPORT

MATERIAL TOPICS, PRACTICES AND MEASURES




Based on our business strategy, we have outlined the material topics defining our sustainability strategy. We are also inspired by the SDGs and seek to align our activities and ambitions with SDG targets. The SDGs provide additional indicators that we can use to define and measure our impact and output and track our progress over time.

Below, we have mapped our past year activities and future plans against the material topics and the SDGs impacted.




Overall SDGs addressed by OTE's work, impact and influence:




SUSTAINABILITY REPORT

Material Topics & Impacted SDGs	Why is it material	Policies and practices	Implementations	Performance Measures / Outcomes
Environmental				
Sustainable materials  	Using sustainable materials in our buildings will reduce our environmental footprint and lower dependency on virgin raw materials.	- Leverage existing technological innovation in building and construction industry to increase the use of sustainable materials in our developments.	CIVIL - Laminate flooring - AAC Brick - Paint MEP - Air conditioner - Lighting - Gas pile for Air Conditioner	CIVIL - TQC.02.2831 (Vietnam) / KS certificate / HB MARK (Korea air cleaning association) / FSC (Forest Stewardship Council) / KAA - Green Label (Singapore) - Green Label (Singapore) MEP - EU RoHS - Ministry of Natural Resources and Environment of Vietnam - SGBC
Biodiversity and land use 	Incorporating biodiversity risks and considerations will reduce potential impact on environmental habitats and secure our license to operate.	- Factor biodiversity impact prior to land acquisition and during and after construction phases.	Implementation of approved QCVN standards according to the Environmental Impact Assessment in the areas of: - Wastewater management & monitoring - Air protection and monitoring - Waste management	Present process of monitoring the items with quarterly assessment with reviews and evaluations with comparisons to government based on the QCVN standards.


SUSTAINABILITY REPORT

Material Topics & Impacted SDGs	Why is it material	Policies and practices	Partnerships and programmes	Performance Measures / Outcomes
Social				
Training and development   	Training will enhance our staff capability capacity-building support to partners in our 'household'.	<ul style="list-style-type: none"> - Our employees are encouraged to attend training programmes that upgrade their skills and promote career development through gaining a macro-overview of the organisation's work, or in their areas of speciality. - While the training hours per person is not set quantitatively, OTE is a learning organisation in substance. Continual learning (both depth and breadth) is core to each member. It is encouraged and celebrated among all staff. 	<ul style="list-style-type: none"> - Internal training programmes for staff for company-wide knowledge development were curated by our specialist volunteers who are domain experts. - Staff could attend external training webinars by sector leaders to deepen their knowledge. - Staff also registered for basic certification courses to develop their professional skills and interests. 	<ul style="list-style-type: none"> - <u>Specially curated internal trainings</u> Topics: 5 sessions, on social work and early childhood education. Total 36.5^a training man-hours. - <u>External webinar trainings</u> Topics: covering 6 out of the 17 SDGs. Total of 131.5^b external training man-hours were recorded. - <u>Professional certification and language skills</u> Staff attended a total of 2^c hours of training for certification. <p>In summary, the Company committed a total of 170 hours (a+b+c) for staff training. Each staff averaged 24.3 hours. Partners attended a total of 41 training man-hours.</p>


SUSTAINABILITY REPORT

Material Topics & Impacted SDGs	Why is it material	Policies and practices	Implementations	Performance Measures / Outcomes
Occupational health and safety 	Health and safety issues are a concern in the property industry and any lapses can have significant reputation damage as well as financial liability	<ul style="list-style-type: none"> - Implement health and safety policies. - Monitor construction activities and contractors for health and safety issues. - Appropriate COVID-19 measures were implemented at development sites. - Staff physical and mental well-being is prioritized. 	<ul style="list-style-type: none"> - Workplace Health and Safety in 2 sites (Ha Long and Hai Phong) in operation - COVID-19 Social Distancing (SD) Measures were implemented for staff safety - Mental health and solidarity programs - Department heads regular check-ins with staff. - Informal staff Zoom gatherings after office hours and team walks (in small groups of 5) were organized. 	<ul style="list-style-type: none"> - 0 deaths and 0 serious injury - 3 light non-disablement injury - Severity Rate of Injury: 0.01 - Total Serious Injury-Free Time: 1,118,822,400 man-hours - SD Measures: work from home, virtual meetings, Antigen Rapid Test (ART) Kits, sanitizer, and office environment cleaning and entry movement procedures. - ART Kits were obtained and distributed to staff for self-check prior to meetings and return to office where necessary. - At least two calls a week were made with team members. - 3 walks (with SD considerations) were organized in the year. - Zoom gatherings were held an average of once a month.


SUSTAINABILITY REPORT

Material Topics & Impacted SDGs	Why is it material	Policies and practices	Partnerships and programmes	Performance Measures / Outcomes
Impact on local communities     	Creating positive impact and shared values in our ecosystem is a core business objective.	1. Strengthen strategic collaborations with overseas partners to build in-country ownership and capacity.	<u>National Housing Organization (NHO)</u> - Deepen strategic collaboration with local business partner, NHO, in providing affordable housing in Ho Chi Minh City, Binh Duong, Ha Long and Hai Phong, Vietnam. <u>University of Labour and Social Affairs Campus 2 (ULSA2)</u> - Continued partnership with ULSA2, to implement various initiatives to advance and promote excellence in social work practice, as detailed in our MOU. - Committed to support the university in curriculum development, training for senior social workers and counsellors, lecture sessions and internships for social work undergraduates, as well as translating academic research findings to impact programmes for social services.	- 6100 units of affordable housing to be built across Vietnam over the next 5 years. - Continued initiatives with ULSA2 for capacity building work. Refer to section below on Student Community Hub.
		2. Systematic approach to establish bespoke community development platforms within or in close strategic proximity	<u>Pilot Family Resource Centres</u> - Conceptualise and develop plans for the pilot family centres, through regular community conversations to	- 2 Family centres were launched in 2021 with local partners.



SUSTAINABILITY REPORT

<p>Impact on local communities</p> 		<p>to every prospective Olive Tree Estates development and informing future scalability. This will also provide possible avenues to deploy local talent.</p> <p>These will include easily accessible amenities such as education, healthcare and other relevant and supporting or complementary services, to support growth of new communities.</p>	<p>better understand the effects of COVID-19 on residents.</p> <ul style="list-style-type: none"> - Continue online networking with sector experts in Vietnam to understand how COVID-19 has affected the communities in education, social services and healthcare. 	<ul style="list-style-type: none"> - Supported Family Centre's digital outreach in place of physical gathering. Curated monthly uplifting videos to supplement the outreach.
		<p>3. Set-up pilot strength-based approach community development spaces to serve as showcase model and champion the ABCD approach.</p>	<p><u>Social Work ABCD Student Community Hub at ULSA2</u></p> <ul style="list-style-type: none"> - ULSA2 launched the ABCD hub in March 2021. It is a space for their undergraduates to learn excellence in social work practice and initiate projects based on the ABCD approach. This is a student-owned space. 	<ul style="list-style-type: none"> - 6 student leaders have been identified to be the first community connectors and be trained in the asset-based community development approach. - Number of student interest groups formed in the Hub.
		<p>4. Sector capacity building among local community: social work, early childhood education and health sector professionals.</p>	<ul style="list-style-type: none"> - Regular training programmes at ULSA2 for social work undergraduates and professionals in NGOs to deepen field knowledge through exchanges. 	<ul style="list-style-type: none"> - Due to escalated COVID-19 restrictions, many NGO leaders stayed in their home provinces and minimised travelling to the main city. As data connectivity was



SUSTAINABILITY REPORT

<p>Impact on local communities</p> 		<p>- Organise sustainable training programmes with strategic partners to build capacity of local professionals. This is also to ensure adequate qualified and suitable human resources for future integrated FRCs.</p>	<p>- Joint projects with ULSA2 to equip the social work undergraduates with practical skills-sets such as conducting surveys and research.</p>	<p>limited in the provinces, we continued conversations with local NGO leaders on an individual basis.</p> <p>- In compliance with escalation of COVID-19 safety measures, there were no large group community survey exercises for the students.</p> <p>- With the normalisation of COVID-19 into an endemic, we look forward to increased engagement and collaborations with ULSA2 and the community.</p>
		<p>5. Recruitment and deployment of specialist volunteers as online trainers and consultants.</p>	<p>- Singapore specialist volunteers who are domain experts in areas such as social work and early childhood education continue to support our training sessions and provide consultancy to our partners, non-profit entities, and social enterprises.</p> <p>- Continue active recruitment of specialist volunteers to develop various skills-sets of the local partners.</p>	<p>- 21 volunteer hours committed by specialist volunteers and advisors for trainings (internal and external) and 1 consultancy sessions.</p>




SUSTAINABILITY REPORT

<p>Impact on local communities</p> 		<p>6. Support like-minded social impact partners</p>	<ul style="list-style-type: none"> - Lakeside Family Services, a charitable organization which provides support to the local communities and at-risk families in Singapore. The '4ward Together 4 Million Steps' fundraising project 2021 targeted for families of the ex-offenders. - Initiated Project Life: Partnered with the Social Medical Volunteer Group in HCMC to address the acute COVID-19 spread as the hospitals are full and patients have to stay home but need oxygen and need doctors. Doctors are accessible via Telemedicine. Volunteers organise logistics for oxygen concentrators to be ferried to homes of affected people struggling to breathe and need oxygen supply critically. 	<ul style="list-style-type: none"> - Supported with our '4ward with Lakeside' fundraising project on giving.sg platform, and we clocked a total of 1.28 million steps in a month. - Organised and raised funds among like-minded people to address critical COVID-19 needs. - Provided 15 more oxygen concentrators in 2021. Coordinated with the doctor representing the group for more need for concentrators in other areas.
<p>Indirect economic impact</p> 	<p>Thriving local communities help boost the economy, giving further impetus to our business.</p>	<ul style="list-style-type: none"> - Enable and encourage access for neighbouring communities to participate and utilize the community development platforms. - Provision of job opportunities, a decent wage and career advancement to support local Vietnamese and by extension, the 	<ul style="list-style-type: none"> - Invite sector professionals working in the community to participate in our social development programmes for the purpose of knowledge sharing, upskilling and networking. - Work closely with NHO to explore avenues we can improve the lives and working conditions of the local Vietnamese who support the design 	<ul style="list-style-type: none"> - Hundreds of local Vietnamese are provided with jobs at decent wage at our residential housing projects.

SUSTAINABILITY REPORT

		national economy, through our social development projects.	and building of our affordable residential housing developments.	
Governance				
<p>Responsible procurement</p> 	<p>Our impact and risks lie not only in our operations but also in our value chain and we can influence these by working with the right suppliers.</p>	<p>- Implement responsible procurement policies in the selection of construction vendors, material suppliers and project partners and monitor their ongoing performance. Gradually increase locally sourced material to help local suppliers.</p>	<p>- Our strategic partner, NHO, is committed to procuring locally sourced material for our building and construction projects.</p> <p>- NHO's approach to procurement is founded on the principles of transparency and integrity.</p>	<p>- Number of new suppliers screened for environmental factors.</p> <p>- Number of new suppliers screened for social factors.</p> <p>- Spending on local suppliers.</p> <p>- In-built practice of the process of declaration of interest with every vendor proposal and introduction.</p>
<p>Product quality, health and safety</p> 	<p>With the potential of natural disasters, it is imperative that our infrastructure is resilient and safe.</p>	<p>- Employ creative and functional architectural design for our buildings keeping in mind quality, resilience and health related factors.</p>	<p>- Offering smart home solutions and infrastructure.</p> <p>- Commit to more effective use of spaces to nurture healthy family and community life.</p>	<p>- More usable and functional space per unit for the benefit of end-user buyers.</p> <p>- Number of designed spaces for conducive community gatherings, e.g. playground and sheltered seating areas.</p> <p>- Greater emphasis on design for better aesthetics and developments which are more pleasing on the eyes.</p>

SUSTAINABILITY REPORT

<p>Economic performance</p>  	<p>Our objective is to distribute the economic performance fairly across our shareholders and the better we do as a business, the more we can contribute.</p>	<ul style="list-style-type: none"> - Continue enhancing value for our communities and employees, while bringing returns for our investors. 	<ul style="list-style-type: none"> - Establishing partnerships with stakeholders and partners who are committed to using business as a force for good and positive social impact. 	<ul style="list-style-type: none"> - Economic value generated and distributed for the greater and common good.
<p>Anti-corruption</p> 	<p>Corruption is a risk perceived in our business and across the geographies where we plan to operate. Any lapses can result in significant reputational damage and financial liabilities.</p>	<ul style="list-style-type: none"> - Enforce our stringent anti-corruption policies and maintain a whistle-blowing channel. - Direct access to Company Directors through personal emails is in the Whistle-blowing policy document available for all staff to access. - Maintain training on anti-corruption and bribery policies to employees. 	<ul style="list-style-type: none"> - Our social impact eco-system partners are committed to transparency and a culture of integrity and honesty. - Conduct anti-corruption communication and training. - Educate our eco-system of partners and stakeholders as to our position on corruption. 	<ul style="list-style-type: none"> - No reported incidents of corruption and no whistle blowing events. - Annual Conflict of Interest Declarations are made.

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103-1/2/3	Management Approach	36
308-1	New suppliers that were screened using environmental criteria	Omission
GRI Standard 2016: Supplier social assessment		
103-1/2/3	Management Approach	36
414-1	New suppliers that were screened using social criteria	Omission
GRI Standard 2016: Procurement practices		
103-1/2/3	Management Approach	36
204-1	Proportion of spending on local suppliers	Omission
GRI Standard 2016: Customer health and safety		
103-1/2/3	Management Approach	36
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Omission
GRI Standard 2016: Economic Performance		
103-1/2/3	Management Approach	37
201-1	Direct economic value generated and distributed	Omission
GRI Standard 2016: Anti-corruption		
103-1/2/3	Management Approach	37
205-2	Communication and training about anti-corruption policies and procedures	37
205-3	Confirmed incidents of corruption and actions taken	37

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The Board of Directors (the “**Board**”) of Olive Tree Estates Limited (the “**Company**”) (together with its subsidiaries, the “**Group**”) is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company’s shareholders (“**Shareholders**”). The Board works with the Management in achieving this objective and the Management is accountable to the Board. This report describes the Group’s corporate governance practices and structures that were or would be put in place (during the financial year ended 31 December 2021 and following thereafter) with specific reference to the principles and provisions of the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the “**2018 Code**”) and the accompanying Practice Guidance to the 2018 Code, and where applicable, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”). The Board confirms that the Company has complied with the principles and provisions as set out in the 2018 Code. Where there are deviations from the 2018 Code, appropriate explanations are provided herein.

BOARD MATTERS

THE BOARD’S CONDUCT OF ITS AFFAIRS

PRINCIPLE 1: THE COMPANY IS HEADED BY AN EFFECTIVE BOARD WHICH IS COLLECTIVELY RESPONSIBLE AND WORKS WITH MANAGEMENT FOR THE LONG-TERM SUCCESS OF THE COMPANY.

The Board is responsible for the overall performance of the Group. It sets the Company’s values and standards, puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. The Board also ensures that the necessary financial and human resources are in place for the Company to achieve its objectives by:

- approving policies, strategies and financial objectives of the Group and monitoring the performance of the Group, including the release of financial results and timely announcement of material transactions;
- approving annual budgets, business plans, key operational matters, major funding proposals, investment and divestment proposals, material acquisitions and disposals of assets, interested person transactions of a material nature and convening of shareholders’ meetings;
- reviewing the processes for evaluating the adequacy of internal controls, risk management, including financial, operational and compliance risk areas identified by the Audit Committee that are required to be strengthened for assessment and its recommendation on actions to be taken to address and monitor the areas of concern;
- advising Management on major policy initiatives and significant issues and monitoring its performance against set goals;
- approving dividend payments or other returns to Shareholders;

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- approving all Board appointments or re-appointments and appointments of key management personnel as well as reviewing their compensation packages;
- overseeing the proper conduct of the Company's business and assuming responsibility for corporate governance; and
- considering sustainability issues, in particular, economic, environmental, social and governance factors as part of its strategic formulation.

The Board objectively makes decisions in the interests of the Group and has delegated specific responsibilities to three Board committees, namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). The committees have the authority to examine particular issues and report to the Board with their recommendations. The composition and terms of reference of the AC, NC and RC are set out further in this report.

The Board conducts meetings on an interim basis to coincide with the announcement of the Group's half year and full year financial results, and as and when it deems necessary. The Constitution of the Company provides for the Directors to attend Board meetings in person or by way of teleconferencing or videoconferencing.

The approval of the Board is required for matters which are likely to have a material impact on the Group's operating units and/or financial position, including, but not limited to, the appointment of new Directors to the Board, release of results announcements, and major acquisitions and/or disposals.

The number of meetings of the Board and Board committees held in the financial year ended 31 December 2021 and the attendance of each Board member at these meetings are disclosed as follows:-

Name	BOARD			AC			NC			RC		
	Position	No. of meetings		Position	No. of meetings		Position	No. of meetings		Position	No. of meetings	
		Held	Attended		Held	Attended		Held	Attended		Held	Attended
Mr. Daniel Cuthbert Ee Hock Huat	C	4	4	C	4	4	M	1	1	M	1	1
Mr. Daniel Long Chee Tim	M	4	4	-	4	4	-	1	1	-	1	1
Mr. Alan Cheong Mun Cheong	M	4	4	M	4	4	M	1	1	C	1	1
Mr. Aloysius Wee Meng Seng ⁽¹⁾	M	4	4	M	4	3	C	1	1	M	1	1
Mr. Soh Gim Teik ⁽²⁾	M	4	1	M	4	1	C	1	0	M	1	0

Notes:

C = Chairman, M = Member.

- (1) Mr. Aloysius Wee Meng Seng was designated as a Non-Independent and Non-Executive Director, member of AC and RC, and ceased to be the Chairman (but remained as member) of the NC immediately upon the conclusion of the AGM held on 30 April 2021. He resigned on 1 September 2021 and ceased to be a member of the AC, NC and RC of the Company on that date.
- (2) Mr. Soh Gim Teik was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of the AC and RC of the Company on 1 September 2021.

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Directors are briefed on their respective duties and obligations, in accordance with the terms of reference of the respective Board committees, upon their appointment to the Board and Board committees.

Where a Director has a conflict of interest, or it appears that the Director might have a conflict of interest in relation to any matter, the Director must immediately declare personal or business interest at the Board meeting or send a written notice to the Company containing details of personal or business interest in the matter and the actual or potential conflict, and the Director shall recuse himself from participating in any discussion or decision on the matter.

The Company regularly provides its Directors with background information on its history, mission, values, financials and operations. The Company encourages and provides opportunities for its Directors to undertake on-going training and education on Board processes and best practices, and to constantly keep abreast of developments in corporate governance practices, and regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities to participate in the relevant training courses, seminars and workshops as relevant and/or applicable at the Company's expense. The Board is regularly briefed on recent changes to the accounting standards and regulatory updates. The Directors are provided opportunities to meet with Management to discuss pertinent issues relating to the Group from time to time. The Directors were briefed by the Management periodically concerning challenges faced by the Group, the status of the development in the Group's regional real estate projects, and strategic plans and objectives of the Group. The Chief Executive Officer ("**CEO**") updates the Board at each meeting on business and strategic developments of the Group, where applicable. All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company.

Directors who are first-time directors, or who have no prior experience as Directors of a listed company are encouraged to attend the Listed Entity Director Programme conducted by the Singapore Institute of Directors ("**SID**"), and will also undergo briefings on the roles and responsibilities as Directors of a listed company. The Board ensures that, where applicable, incoming new Directors are given comprehensive and tailored induction on joining the Board including onsite visits to the Group's real estate developments and community development platforms overseas to get familiarised with the business and mission of the Group and corporate governance practices upon their appointment and to facilitate the effectiveness in discharging their duties. Newly-appointed Directors will be provided a formal letter setting out their duties and obligations. The Group conducts a comprehensive orientation programme, which is presented by the CEO and/or other members of Management, to familiarise new Directors with business and corporate governance policies. The orientation programme gives Directors an understanding of the Group's businesses to enable them to assimilate into their new roles. The programme also allows the new Directors to get acquainted with Management, thereby facilitating Board interaction and independent access to Management.

In line with SGX's implementation of the TCFD ("**Task Force on Climate-related Financial Disclosures**") framework, all directors will be attending sustainability training through courses certified by SGX Regco.

In order to ensure that the Board is able to fulfil its responsibilities, Management is required to regularly provide the Board with information about the Group. Board papers are prepared for each meeting of the Board and are circulated in advance of each meeting. The Board papers include sufficient information from Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board meetings.

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The members of the Board, in their individual capacity, also have access to Management, and to all relevant information on a timely basis in the form and quality reasonably necessary for the discharge of their duties and responsibilities.

All Directors have separate and independent access to the Management and Company Secretary at all times. The Company Secretary attends all Board and Board committee meetings and is responsible to the Board for advising on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required. The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2: THE BOARD HAS AN APPROPRIATE LEVEL OF INDEPENDENCE AND DIVERSITY OF THOUGHT AND BACKGROUND IN ITS COMPOSITION TO ENABLE IT TO MAKE DECISIONS IN THE BEST INTERESTS OF THE COMPANY.

The Board currently comprises four Directors, one of whom is an Executive Director, and three are Independent Non-Executive Directors. The Executive Director is Mr. Daniel Long Chee Tim. The Independent Non-Executive Directors are Mr. Daniel Cuthbert Ee Hock Huat, Mr. Alan Cheong Mun Cheong and Mr. Soh Gim Teik. The Chairman of the Board, Mr. Daniel Cuthbert Ee Hock Huat, is an Independent Non-Executive Director. The profiles of the Directors are set out in the "**Board of Directors**" section of this Annual Report.

None of the Independent Non-Executive Directors or their immediate family members hold any shares in the Company or any of its subsidiaries, and they had also not received any payment for any services other than their Directors' fees. Each Independent Non-Executive Director has, on an annual basis, provided a declaration of his independence that is deliberated upon by the NC and the Board. Each of the Independent Non-Executive Directors has confirmed that he does not have any relationship (including those provided in Provision 2.1 of the 2018 Code) with the Company and its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Independent Non-Executive Director's independent business judgement in the best interest of the Group. Accordingly, the NC and the Board (with each Independent Non-Executive Director abstaining from the discussion and decision-making process with respect to the assessment of his independence) consider each of the Independent Non-Executive Directors to be independent based on the considerations of the requirements in Provision 2.1 of the 2018 Code and the declarations made by each of the Independent Non-Executive Directors.

The Directors bring with them a wealth of expertise and experience in areas such as accounting, finance, investment banking, law, business and management, industry knowledge and strategic planning. The Board possesses the necessary balance and diversity of competencies, experience and knowledge to lead and govern the Group effectively, foster constructive debate, and avoid groupthink. Further, no individual or

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small group of individuals dominates the Board's decision-making process. The Board is of the view that its present composition and Board size is appropriate to facilitate effective decision making, taking into account the size, nature and scope of the Group's operations. As three quarters of the Board are independent, the Board has a substantial independent element to ensure that objective judgment is exercised on corporate and governance affairs.

The Board recognizes that board diversity is an essential element contributing to a well-functioning and effective Board, as well as the sustainable development of the Group. As such, the Board has in place a Board Diversity Policy, the objectives of which are to promote and enhance the decision-making process of the Board through the perspectives derived from the professional expertise, business experience, industry discipline, skills, knowledge, gender, age, educational background, ethnicity and culture, length of service, and other diverse qualities of the Board members. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of its members, the NC will consider the various aspects of board diversity (contextualised against the needs of the Group from time to time as it executes its corporate strategy and mission), and set practical timelines to implement the policy. It will also report to the Board on an annual basis on the progress made in promoting and achieving its board diversity objectives.

During Board meetings, the Independent Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Independent Non-Executive Directors meet when required, without the presence of Management. The Chairman will provide feedback to the Board after such meetings as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3: THERE IS A CLEAR DIVISION OF RESPONSIBILITIES BETWEEN THE LEADERSHIP OF THE BOARD AND MANAGEMENT, AND NO ONE INDIVIDUAL HAS UNFETTERED POWERS OF DECISION-MAKING.

The Chairman is responsible for the workings of the Board and, together with the AC, ensures the integrity and effectiveness of the governance process of the Board.

The role of the Independent Non-Executive Chairman is separate from that of the CEO. The Company does not have an Executive Chairman. In addition, the Independent and Non-Executive Directors exercise objective and important judgment on corporate matters, thus ensuring a balance of power, increased accountability and authority. Major decisions on significant matters are made in consultation with the entire Board. To ensure that there is no concentration of power and authority vested in one individual, Mr. Daniel Cuthbert Ee Hock Huat, an Independent and Non-Executive Director, has been appointed as the Chairman of the Board. As he is non-executive and independent from the Management, Mr. Ee will be available to the Shareholders where they have concerns which cannot be resolved through the normal channels of the CEO or other members of the Management, or where such contact is not possible or inappropriate.

The Board does not have a lead independent director given that the Chairman is independent and the majority

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of the Board are non-executive Directors.

The Chairman leads the Board to ensure its effectiveness on all aspects of its role, ensures effective communication with Shareholders, and encourages constructive relations between the Board and Management, as well as between Board members. He is also expected to take a lead role in promoting good corporate governance standards.

Mr. Daniel Long Chee Tim is the CEO and Executive Director of the Company. As CEO, Mr. Long is responsible for the overall management and day-to-day operations of the Group.

BOARD MEMBERSHIP

PRINCIPLE 4: THE BOARD HAS A FORMAL AND TRANSPARENT PROCESS FOR THE APPOINTMENT AND REAPPOINTMENT OF DIRECTORS, TAKING INTO ACCOUNT THE NEED FOR PROGRESSIVE RENEWAL OF THE BOARD.

The current members of the NC are as follows:

Mr. Soh Gim Teik (Chairman) (*appointed on 1 September 2021*)

Mr. Daniel Cuthbert Ee Hock Huat

Mr. Alan Cheong Mun Cheong

Mr. Soh Gim Teik was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of the AC and RC of the Company on 1 September 2021. Prior to that date, Mr. Aloysius Wee Meng Seng was the Chairman of the NC until he was designated as a Non-Independent and Non-Executive Director of the Company and ceased to be the Chairman (but remained as member) of the NC and Mr. Alan Cheong Mun Cheong was appointed as Chairman of NC immediately upon the conclusion of the AGM of the Company held on 30 April 2021. Mr. Aloysius Wee Meng Seng resigned on 1 September 2021 and ceased to be a member of the AC, NC and RC of the Company on that date.

The NC is responsible for the following matters:

- (i) the review of Board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel;
- (ii) the development of a process for evaluation of the performance of the Board, its Board committees and Directors;
- (iii) the review of training and professional development programs for the Board;
- (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable); and
- (v) determining the independence of Directors.

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The NC has in place a process for the selection of new Directors and re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment, as well as to advance the Company's objective of promoting board diversity. In identifying potential new Directors, the NC will consider the various aspects of board diversity, including gender diversity, before making a recommendation to the Board. The NC will also evaluate the potential candidates by undertaking background checks, assessing individual competency, management skills, relevant experience and qualifications. When appointing new Directors, the NC will, in consultation with the Board, give due consideration to the balance and mix of skills, knowledge, experience, gender, age and other aspects of diversity and qualities of the Board as a whole.

Despite some of the Directors having other board representations and other principal commitments, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. In making this determination, the NC had considered the respective director's actual conduct and effectiveness on the Board, and the time and attention given by each of them to the affairs of the Company. The Board has also adopted an internal guideline that each Director should hold not more than six (6) listed company board representations to address competing time commitments when Directors serve on multiple boards. The NC believes a director's commitment and contributions to the Company, and his/her attendance at and contributions during Board and Board committee meetings are relevant factors to be taken into consideration in assessing whether a director has adequately discharged his duties. Details of directorships and other principal commitments of the Directors are set out in this Annual Report from pages 8 to 9.

The NC is also responsible for recommending a framework for the evaluation of the Board of Directors, the results of which will be taken into consideration during the process of the re-appointment of Directors to the Board. Relevant considerations in the evaluation may include attendance at the meetings of the Board and Board committees, active participation during these meetings and the quality of his contributions. Each member of the NC will abstain from voting on any resolution in respect of the assessment of his performance or re-nomination. There are currently no alternate Directors on the Board.

Annually, the NC will assess the independence of each Director, having regard to the circumstances set forth in the provisions of the 2018 Code. The NC has conducted an annual review of the independence of the Independent Non-executive Directors, based on the requirements of the 2018 Code, and has ascertained that they are independent.

The Company's Constitution requires not less than one-third of the Directors to retire from office by rotation at every AGM and each Director to retire from office at least once every three years. The retiring Directors are eligible for re-election at the meeting at which they retire. In addition, any new Director appointed by the Board during the year will have to retire at the AGM following his appointment but will be eligible for re-election if he so desires.

The NC has recommended to the Board that Mr. Daniel Cuthbert Ee Hock Huat and Mr. Daniel Long Chee Tim, both of whom are retiring pursuant to Regulation 97 of the Company's Constitution, be nominated for re-election at the forthcoming AGM. Mr. Daniel Cuthbert Ee Hock Huat, being a member of the NC, had abstained from the deliberation process in respect of his own nomination. Based on the recommendation

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of the NC, the Board (save for Mr. Daniel Cuthbert Ee Hock Huat and Mr. Daniel Long Chee Tim, who had abstained from the deliberation process in respect of their own re-election) has accepted the NC's recommendation, and proposes to the Company's shareholders to approve their re-election as Directors of the Company pursuant to Regulation 97 of the Company's Constitution.

Mr. Soh Gim Teik who was appointed as Independent Non-Executive Director on 1 September 2021, will cease to hold office at the forthcoming AGM in accordance with Regulation 103 of the Company's Constitution, and has offered himself for re-election at the forthcoming AGM. Mr. Soh Gim Teik, being a member of the NC, had abstained from the deliberation process in respect of this own nomination. Based on the recommendation of the NC, the Board (save for Mr. Soh Gim Teik, who had abstained from the deliberation process in respect of his own re-election) has accepted the NC's recommendation, and proposes to the Company's shareholders to approve his re-election as Director of the Company pursuant to Regulation 103 of the Company's Constitution.

Other information relating to the Directors seeking re-election at the forthcoming AGM as required by Rule 720(5) of the Catalist Rules of the SGX-ST are disclosed under the sections entitled "Board of Directors", "Notice of Annual General Meeting" and "Additional Information on Directors Seeking Re-election" in this annual report.

BOARD PERFORMANCE

PRINCIPLE 5: THE BOARD UNDERTAKES A FORMAL ANNUAL ASSESSMENT OF ITS EFFECTIVENESS AS A WHOLE, AND THAT OF EACH OF ITS BOARD COMMITTEES AND INDIVIDUAL DIRECTORS.

The fiduciary responsibilities of the Board include the following:

- to conduct itself with proper due diligence and care;
- to act in good faith;
- to comply with applicable laws; and
- to act in the best interests of the Company and its Shareholders at all times.

In addition, the Board is charged with the key responsibilities of leading the Group and setting strategic directions.

The Company is of the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance based on its ability to steer the Group in the right direction and the support it renders to the Management. For the purpose of evaluating each individual Director's performance, the NC takes into consideration a number of factors including the Director's attendance, participation and contributions at the meetings of the Board and Board committees, and other Company activities.

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The NC has adopted and will continue to put in place a formal system of assessing the performance and effectiveness of the Board as a whole and the various sub-committees. The evaluation of the Board is conducted annually. The performance criteria for the Board evaluation covers, amongst others, size and composition of the Board, the Board's access to information, Board processes and accountability, Board performance in relation to discharging the Board's principal responsibilities and standards of conduct of the Board members.

As part of the process, all Directors will be asked to complete a board evaluation questionnaire which is then collated and presented to the NC. The evaluation exercise provides feedback from each Director, his view on the Board, procedures, processes and effectiveness of the Board as a whole.

Upon the completion of the performance evaluation, the NC will discuss the results with Board members with the view of determining the areas that could be improved further.

The NC, having reviewed the overall performance of the Board and the respective committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, and each individual Director's performance, is of the view that the performance of the Board, the respective committees and each individual Director has been satisfactory.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 6: THE BOARD HAS A FORMAL AND TRANSPARENT PROCEDURE FOR DEVELOPING POLICIES ON DIRECTOR AND EXECUTIVE REMUNERATION, AND FOR FIXING THE REMUNERATION PACKAGES OF INDIVIDUAL DIRECTORS AND KEY MANAGEMENT PERSONNEL. NO DIRECTOR IS INVOLVED IN DECIDING HIS OR HER OWN REMUNERATION.

The current members of the RC are as follows:

Mr. Alan Cheong Mun Cheong (Chairman)
Mr. Daniel Cuthbert Ee Hock Huat
Mr. Soh Gim Teik (*appointed on 1 September 2021*)

As stated above, Mr. Aloysius Wee Meng Seng was a member of the RC until he resigned as a Non-Independent and Non-Executive Director of the Company and ceased to be a member of the RC on 1 September 2021. The RC satisfies the 2018 Code's requirement that all of the RC members are Non-Executive Directors, and the majority of whom, including the RC Chairman, are independent.

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and Management, and for employees related to the Executive Directors and controlling shareholders of the Group to ensure that the remuneration frameworks are appropriate and proportionate to the sustained performance and value creation of the Group. The RC also reviews and approves specific remuneration packages for the CEO and Executive Director, Mr. Daniel Long Chee Tim, and key management personnel (who are not

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Directors or the CEO). The recommendations of the RC on all aspects of the remuneration of Directors and key management personnel, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind, will be submitted for endorsement by the Board. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration or remuneration package.

The RC has access to expert advice in the field of executive remuneration outside the Company with regards to remuneration matters wherever necessary. The RC should ensure that existing relationships, if any, between any of its Directors or the Company and its appointed remuneration consultants, will not affect the independence and objectivity of the remuneration consultants. In FY2021, the Company did not seek any expert advice outside the Company on remuneration of its Directors.

The RC had reviewed the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service, and is of the view that the termination clauses in the contracts of service are fair and reasonable and not overly generous or onerous.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7: THE LEVEL AND STRUCTURE OF REMUNERATION OF THE BOARD AND KEY MANAGEMENT PERSONNEL ARE APPROPRIATE AND PROPORTIONATE TO THE SUSTAINED PERFORMANCE AND VALUE CREATION OF THE COMPANY, TAKING INTO ACCOUNT THE STRATEGIC OBJECTIVES OF THE COMPANY.

The remuneration for the Executive Director, who is also the CEO of the Company, comprises a fixed and a variable component. The fixed component includes a base salary and benefits, while the variable component is in the form of a performance-based bonus to be approved by the Board. The Company does not have contractual provisions to allow the reclamation of incentive components of remuneration as there are no prescribed incentives tied to the performance of the Group. In determining the remuneration packages of the CEO, the Company also takes into account the performance of the Group and that of the CEO. No performance bonus is payable to the CEO in respect of the financial year ended 31 December 2021 in view of the fact that the business plans of the Group are still in the process of being rolled out and have yet to bear fruit.

As a matter of principle, Independent Non-Executive Directors receive Directors' fees that commensurate with their individual responsibilities. Such fees comprise a basic retainer fee as Director and additional fees for serving on Board committees and are subject to approval by the Shareholders at the AGM.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary, while the variable component is in the form of a variable bonus that is linked to the Group's and the individual's performance.

The Company has adopted the Olive Tree Performance Share Plan as part of its long term incentive plans for Directors and employees of the Company.

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DISCLOSURE ON REMUNERATION

PRINCIPLE 8: THE COMPANY IS TRANSPARENT ON ITS REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION, THE PROCEDURE FOR SETTING REMUNERATION, AND THE RELATIONSHIPS BETWEEN REMUNERATION, PERFORMANCE AND VALUE CREATION.

1. Directors' Remuneration

The remuneration of the Directors of the Group (to the nearest thousand dollars) for the financial year ended 31 December 2021 is as follows:

	Salary/ Directors' fees %	Bonus %	Benefits in kind %	Share options %	Share- based incentives %	Other long-term incentives %	Total compensation (S\$'000)
Executive Director							
Mr. Daniel Long Chee Tim	100	–	–	–	–	–	192
Independent Non-Executive Directors							
Mr. Daniel Cuthbert Ee Hock Huat	100	–	–	–	–	–	55
Mr. Alan Cheong Mun Cheong	100	–	–	–	–	–	45
Mr. Aloysius Wee Meng Seng ⁽¹⁾	100	–	–	–	–	–	30
Mr. Soh Gim Teik ⁽²⁾	100	–	–	–	–	–	15

Notes:

- (1) Mr. Aloysius Wee Meng Seng resigned as a Non-Independent and Non-Executive Director and ceased to be a member of the AC, NC and RC of the Company on 1 September 2021.
- (2) Mr. Soh Gim Teik was appointed as an Independent Non-Executive Director, Chairman of the NC and a member of the AC and RC of the Company on 1 September 2021.

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2. Key Management Personnel' Remuneration

The remuneration bands of the top five key management personnel of the Group (who are not Directors or the CEO) for the financial year ended 31 December 2021 is as follows:

	Salary %	Bonus %	Benefits in kind %	Share options %	Share- based incentives %	Other long-term incentives %
Below S\$250,000						
Mr. Alan Wong Tuan Keng – Chief Financial Officer	100	–	–	–	–	–
Mr. Yang Myung Chul Paul – Country Director, Vietnam	100	–	–	–	–	–
Ms. Evangeline Goh Kang Hsien ⁽¹⁾ – Assistant Director, Partnerships	100	–	–	–	–	–
Mr. Eugene Lee Ming – Financial Controller	100	–	–	–	–	–
Mr Peter Woo – Associate Director of Business Development and Special Projects	100	–	–	–	–	–

Note:

(1) Ms. Evangeline Goh Kang Hsien resigned as Assistant Director, Partnerships on 19 November 2021 and has since been replaced by Theodore Teo Tze Tzeow who is the current Director, Partnerships.

The aggregate total remuneration paid and payable to the top five key management personnel (who are not Directors or the CEO) for the financial year ended 31 December 2021 was S\$570,000. For competitive reasons, the Company continues to disclose remuneration of its key management personnel in bands.

There are no termination, retirement and post-employment benefits that may be granted to the CEO, the Directors and the top five key management personnel (who are not Directors or the CEO). No share option schemes were implemented for the financial year ended 31 December 2021.

For the year ended 31 December 2021, no employee is a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company.

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ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

In presenting the half year and full year financial statements announcements to Shareholders, it is the aim of the Board to provide the Shareholders with a balanced and comprehensible assessment of the Group's position and prospects.

The Management currently provides the Board with appropriately detailed reviews of the Group's performance, position and prospects on a regular basis. The Board will update the Shareholders on the operations and financial position of the Company through half year and full year results announcements, as well as timely announcements of other matters as prescribed by the relevant rules and regulations.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9: THE BOARD IS RESPONSIBLE FOR THE GOVERNANCE OF RISK AND ENSURES THAT MANAGEMENT MAINTAINS A SOUND SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROLS, TO SAFEGUARD THE INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS.

The Board is responsible for ensuring that the Management maintains a sound system of risk management and internal controls, including financial, operational, compliance and information technology controls, to safeguard the interests of the Company and its shareholders. On a yearly basis, the processes will be reviewed formally and, if necessary, enhanced to meet the needs of the business of the Group. The aforementioned review will be conducted by BDO LLP and completed in accordance with the objectives as outlined in the latter's engagement letter. The external auditors, during the course of their audit, also reported on matters relating to internal controls. Any material non-compliance and recommendation for improvement had in the past been and will in future be reported to the AC. Nonetheless, the system of internal controls is designed to mitigate rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss. The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Based on both the internal and external auditors' reports, the actions taken by the Management, the on-going review and continuing efforts in improving internal controls and processes, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls that has been maintained by the Management throughout the financial year being reported on is adequate and effective to meet the needs of the Group, and addresses the financial, operational, compliance and information technology risks.

In line with the 2018 Code, the AC, with the concurrence of the Board, has also adopted a management assurance confirmation statement ("**Management Assurance Statement**") confirming that the financial records of the Company have been properly maintained, that the Company's financial statements give a true and fair view of the Group's operations and finances, and that an adequate and effective risk management system and internal control system has been put in place. The Management Assurance Statement is signed by the CEO and the Chief Financial Officer ("**CFO**") and tabled at the end of each financial year. For the financial year ended 31 December 2021, the Board has obtained a duly signed Management Assurance Statement.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

PRINCIPLE 10: THE BOARD HAS AN AUDIT COMMITTEE WHICH DISCHARGES ITS DUTIES OBJECTIVELY.

The current members of the AC, all of whom are Independent Non-executive Directors, are as follows:

Mr. Daniel Cuthbert Ee Hock Huat (Chairman)
Mr. Alan Cheong Mun Cheong
Mr. Soh Gim Teik (*appointed on 1 September 2021*)

As stated above, Mr. Aloysius Wee Meng Seng was a member of the AC until he resigned as a Non-Independent and Non-Executive Director of the Company and ceased to be a member of the AC on 1 September 2021. The AC satisfies the 2018 Code's requirement that all of the AC members are Non-Executive Directors, and the majority of whom, including the AC Chairman, are independent.

The AC is responsible for assisting the Board in discharging its responsibilities to safeguard the assets, maintain adequate accounting records and develop and maintain an effective system of internal controls, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

The AC meets periodically to perform the following functions:

- (i) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (ii) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;
- (iii) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (iv) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
- (v) making recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (vi) meeting with the external auditors and internal auditors, in each case without the presence of the management, at least annually;

CORPORATE GOVERNANCE REPORT

- (vii) reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (viii) reviewing the audit plans and reports of the Company's internal and external independent auditors;
- (ix) reviewing the financial statements and external auditors' report before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (x) reviewing the internal control and procedures, and ensuring co-ordination between the external auditors and the management, reviewing the assistance given by the management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which auditors may wish to discuss (in the absence of the management where necessary);
- (xi) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position;
- (xii) reviewing and approving interested person transactions, if any, falling within the scope of Chapter 9 of the Catalist Rules;
- (xiii) reviewing any potential conflicts of interest and ensuring that procedures for resolving such conflicts are sufficient and strictly adhered to by the Company;
- (xiv) reviewing the adequacy of the Company's enterprise risk management process. The Company had engaged BDO LLP in 2019 to perform an enterprise risk framework and an updated management assessment in 2021 to ensure that key risks are being monitored and managed. The risk management policy and key risks are highlighted on page 61;
- (xv) undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (xvi) generally undertaking such other functions and duties as may be required by statute or the Listing Manual and by such amendments made thereto from time to time.

The AC Chairman, Mr. Daniel Cuthbert Ee Hock Huat, had been in senior management positions in investment banking and has more than 20 years of experience as an independent director of various listed companies. Mr. Alan Cheong Mun Cheong has more than 20 years of experience in the real estate and finance sector as indicated in the section on information on the Board of Directors. Mr. Soh Gim Teik has extensive experience in corporate advisory, governance, finance and general management and serve as an independent director of another listed company.

CORPORATE GOVERNANCE REPORT

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and access to reasonable resources to enable it to discharge its functions properly.

The AC met with the external and internal auditors as well without the presence of the Management, in the course of the year.

Significant Matters	How the AC reviewed these matters and what decisions were made
Classification of investments as associated companies	<p>The AC has considered the approach and methodology used in determining the investments as associated companies.</p> <p>The AC noted that though the Company's shareholding in its investee entities is less than 20% shareholding, the company exercises significant influence over said entities through its representative on the Board of Management and Supervisory Committee of each entity. Through the representative, the company actively participates in the relevant activities and decision making process of those entities.</p> <p>The AC concurs with management's approach in determining the investments as associated companies.</p> <p>The classification of investment as associated companies was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in the audit report for the financial year ended 31 December 2021. Refer to page 66 of this Annual Report.</p>

The Group's external auditors, Nexia TS Public Accounting Corporation ("**Nexia TS**"), is an accounting firm registered with the Accounting and Corporate Regulatory Authority of Singapore. The aggregate amount of fees paid and payable to the external auditors for the financial year ended 31 December 2021 was S\$86,000. No non-audit services were provided by the external auditors for the same period. The AC reviewed the independence of the external auditors through the review of the materiality of the non-audit services (if any) and also confirmed that there were no former partner or director of the Company's external audit firm being a member of the AC or the Board. Any changes to accounting standards and issues which have a direct impact on financial statements will be highlighted to the AC from time to time by the external auditors.

In evaluating the quality of the work carried out by the external auditor, the AC's assessment of the performance of Nexia TS was based on Nexia TS's firm-wide audit quality framework, which is in line with the requirements of the Singapore Standards on Quality Control 1 (Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements) ("**Nexia AQI Framework**"). The key elements of the Nexia AQI Framework include assessment on the experience and involvement of senior audit team members, training programmes and independence requirements of the team members, regular inspections by both internal and external parties (e.g. the Accounting and Corporate Regulatory Authority Practice Monitoring Programme inspections), human resources (e.g. attrition rates of the audit team).

CORPORATE GOVERNANCE REPORT

The Board of Directors and the AC, having reviewed the adequacy of the resources and experience of Nexia TS, the audit engagement partner assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, are satisfied that the Group has complied with Rules 712 and 715 of the Catalist Rules.

The Group has established and implemented a whistle-blowing policy which sets out the procedures by which employees may, in confidence, raise concerns about any possible corporate improprieties in matters of financial reporting and on misconduct or wrongdoing relating to the issuer and its officers. The AC is responsible for oversight and monitoring of whistle-blowing. Three dedicated secured email addresses allow whistle-blowers to contact any member of the AC to make a whistle-blowing report. The whistle-blowing policy and its procedures have been made available to all employees.

The Company's whistle-blowing policy allows employees to raise concerns and offer reassurance that the whistleblower will be protected against detrimental or unfair treatment for whistle-blowing in good faith. All the information in the whistleblowing report, including the identity of the employee, will be treated with strict confidentiality.

The AC is tasked with investigating whistleblowing reports made in good faith and in confidence, and will address any issues/concerns that are raised and follow up with the necessary investigations and/or other appropriate actions.

INTERNAL AUDIT

The AC has the responsibility to establish an independent internal audit function, review the internal audit program and ensure co-ordination between internal auditors, external auditors and the Management, and ensure that the internal auditor meets or exceeds the standards set by nationally or internationally recognized professional bodies.

The Company outsourced the internal audit function to BDO LLP. The head of the internal audit team is Mr Willy Leow, a Chartered Accountant of more than 20 years' standing, who has relevant qualifications and internal audit experience. The internal audit team comprises qualified experienced professionals each having over 10 years of relevant internal audit experience. They carry out their internal audit works in accordance with the Standards for the Professional Practice of Internal Auditing that are set by the Institute of Internal Auditors. The AC ensures that the Management provides adequate support to the internal auditors which include, amongst others, access to documents, records, properties and personnel. The primary reporting line of the internal audit function is to the AC. The internal auditor has unrestricted access and reports directly to the AC Chairman on matters concerning risks or control issues. To ensure the adequacy of the internal audit function, the AC will review and approve, on an annual basis, the internal audit plans and the resources required to adequately perform this function, and has ensured that it is adequately resourced and has appropriate standing within the Company to discharge its responsibilities. The AC also reviewed the qualifications of BDO LLP to ensure that they have the relevant qualifications and experience so that the quality of the Group's internal audit function will not be compromised.

During the financial year being reported on, the Company has reviewed BDO LLP's internal control report on the Group and will progressively implement BDO LLP's recommendations to strengthen the Group's processes and protocols.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

PRINCIPLES 11: THE COMPANY TREATS ALL SHAREHOLDERS FAIRLY AND EQUITABLY IN ORDER TO ENABLE THEM TO EXERCISE SHAREHOLDERS' RIGHTS AND HAVE THE OPPORTUNITY TO COMMUNICATE THEIR VIEWS ON MATTERS AFFECTING THE COMPANY. THE COMPANY GIVES SHAREHOLDERS A BALANCED AND UNDERSTANDABLE ASSESSMENT OF ITS PERFORMANCE, POSITION AND PROSPECTS.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLES 12: THE COMPANY COMMUNICATES REGULARLY WITH ITS SHAREHOLDERS AND FACILITATES THE PARTICIPATION OF SHAREHOLDERS DURING GENERAL MEETINGS AND OTHER DIALOGUES TO ALLOW SHAREHOLDERS TO COMMUNICATE THEIR VIEWS ON VARIOUS MATTERS AFFECTING THE COMPANY.

It is the policy of the Company to ensure that all Shareholders are informed of all major developments that impact the Group in a timely manner. Pertinent information is communicated to Shareholders on a regular and timely basis through the following means:

- (i) results and annual reports announced or issued within the mandatory period;
- (ii) material information disclosed in a timely manner via SGXNET and the news release;
- (iii) AGMs; and
- (iv) the Company's website, www.olivetreeestates.com.

Shareholders can vote for resolutions or appoint up to two proxies to attend and vote at all general meetings on his behalf using a proxy form sent with the annual report. In line with the amendments to the Companies Act, relevant intermediaries which provide nominee or custodial services to third parties are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to different shares held by its members. All resolutions are put to a vote by poll, the proceedings of which will be explained by the appointed scrutineer at the general meetings. The Company does not allow absentia voting and does not employ electronic voting at its general meetings. The Company may employ electronic voting in the future, when the need arises. The participation of Shareholders at AGMs, which is also attended by the Directors and the external auditors, is encouraged as it is the principal forum for dialogue with Shareholders. During each AGM, there will be an open question and answer session at which Shareholders may raise questions or share their views regarding the proposed resolutions and the Company's businesses and affairs. Resolutions are proposed separately at general meetings for each separate issue. At the AGM held on 30 April 2021, all the Directors attended the AGM.

CORPORATE GOVERNANCE REPORT

Due to the COVID-19 pandemic, the Company's AGM for FY2020 held on 30 April 2021 was conducted by way of electronic means. Physical copies of the notice of AGM, proxy form and request form for annual report were sent to shareholders, and were also published on SGXNET and the Company's website.

As the AGM for FY2020 was held by electronic means, voting at the AGM was conducted by proxy only. Shareholders who wished to vote on any or all of the resolutions at the AGM had appointed the Chairman of the AGM as their proxy by completing the proxy form for the AGM, and submitting the proxy form by post or by email to the Company forty-eight (48) hours before the AGM.

In view of the current COVID-19 situation, as a precautionary measure, the Company's AGM for FY2021 will continue to be held via electronic means. Shareholders will not be able to attend the AGM in person, but may observe the proceedings of the AGM by audio or audio-visual means. Shareholders may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit their questions to the Chairman of the Meeting in advance of the AGM. The Company will publish responses to all substantial and relevant questions received from members on or before the AGM via announcement on SGXNET and its corporate website. Please refer to the notice of the FY2021 AGM and announcement dated 31 March 2022 for more information on the forthcoming AGM.

After the AGM, the Company will make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management. Such minutes will be published on its corporate website and on the SGXNET.

The Company does not have a fixed dividend policy. The form and frequency and/or amount of dividends will depend on the Company's cash, earnings, gearing, financial performance and position, project capital expenditure, future investments plans, funding requirements and any other factors that the Directors consider relevant. For the financial year ended 31 December 2021, the Directors have not recommended the declaration and payment of dividends to Shareholders in the light of the losses suffered by the Group in the financial year ended 31 December 2021 and the preceding years, and due to the future investment plans of the Group.

The Company believes in regular, effective and fair communication with members of the investment community and has in place an investor relations policy to provide for a mechanism through which shareholders may communicate effectively with the Company. The Chief Financial Officer is responsible for the investor relations function of the Company. Shareholders may contact the Company with their questions via emails, phone calls or the Company's website. Feedback from shareholders gathered from general meetings and/or the Company's website are collated and reported to the Board. The Board will, through the Chief Financial Officer, communicate their response to the Shareholders through SGXNET announcement or the Company's website in a timely manner.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13: THE BOARD ADOPTS AN INCLUSIVE APPROACH BY CONSIDERING AND BALANCING THE NEEDS AND INTERESTS OF MATERIAL STAKEHOLDERS, AS PART OF ITS OVERALL RESPONSIBILITY TO ENSURE THAT THE BEST INTERESTS OF THE COMPANY ARE SERVED.

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The details on the Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2021 are disclosed in pages 12 to 39 of the of this Annual Report under the section entitled Sustainability Report.

The Company has maintained a corporate website to communicate and engage with stakeholders. Apart from communicating through email or phone calls, stakeholders may also submit queries via the Company's website to ask questions and receive responses in a timely manner.

DEALINGS IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal compliance code for securities transactions undertaken by all Directors and employees.

All Directors and employees must refrain from dealing in the Company's securities on short-term consideration and when they are in possession of unpublished material price sensitive information in relation to the Company and/or its subsidiaries or associated companies. Directors and employees are also not to deal in the Company's securities during the period beginning one month before the date of the announcement of the half year and full year financial results. Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

MATERIAL CONTRACTS

Save as disclosed in the financial statements, there were no material contracts entered into by the Company or its subsidiaries in which the CEO, any Director, or controlling shareholder had an interest.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Chiu Teng @ Kallang Pte Ltd	Landlord (company owned by the controlling shareholder)	Rental expenses of S\$45,474 (as per the contractual terms applicable during FY2021)	Not applicable

The Group has in place procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Shareholders. When a potential conflict of interest occurs, the Director who is conflicted will be excluded from discussions and will refrain from exercising any influence over other members of the Board. The Group does not have a general mandate from Shareholders in relation to interested person transactions. The Company did not enter into any IPTs which require an immediate announcement or shareholders' approval under the Catalist Rules of SGX-ST regulating IPTs for FY2021.

NON-SPONSOR FEES

There was no non-sponsor project advisory fees paid to the Company's sponsor, RHT Capital Pte. Ltd., for the financial year ended 31 December 2021.

ENTERPRISE RISK MANAGEMENT

The Olive Tree Estates Limited Enterprise Risk Management (“**ERM**”) program has been framed to help the company foster the right risk culture enterprise-wide. The company conducts an annual workshop for the purposes of refreshing Olive Tree Estates Limited risk register to maintain the latter’s relevancy. This requires business units and corporate functions to identify, assess and document material risks along with their key controls and mitigating measures. Risk management principles are embedded in all our decision-making and business processes. Material risks and their associated controls are reviewed and presented to the AC and the Board for consideration and feedback.

MANAGING MATERIAL RISKS

Olive Tree Estates takes a comprehensive, iterative approach to identifying, managing, monitoring and reporting material risks across the Group. These material risks include:

Political & Policy Risk

Given the fact that a significant quantum of our business relates to investments in emerging economies, specifically Vietnam, Olive Tree Estates is invariably exposed to various levels of political, policy and regulatory risks. Such risks may impact the economic and socio-political environment, which may, in turn, affect the financial viability of the Group’s investments. To mitigate these risks, overseas operations are managed by experienced managers and a strategic local partner with a sterling track record, sound reputation and who is familiar with the local conditions and culture.

Investment & Divestment Risk

At the project level, Olive Tree Estates conducts an independent risk evaluation for all live projects to ensure all material risks are identified, assessed and quantified. To the extent possible, project-related risks are highlighted and all parameters are benchmarked against objective market indicators and historical projects undertaken by the Group and its partners. If necessary, risk mitigating measures are proposed and where applicable, implemented. To ensure that the potential returns of new investments are commensurate with the risks which are borne, hurdle rates are computed and adopted as investment benchmarks. These are reviewed where necessary and adjusted to reflect corresponding changes in business risks and capital costs of investments. Such an approach seeks to ensure that Olive Tree Estates’ investment portfolio creates value for its stakeholders on a risk-adjusted basis. Projects under development are consistently tracked for progress updates and monitored for investment performance.

Regulatory & Compliance Risk

Olive Tree Estates’ operations are subject to the applicable laws and regulations in the markets in which we operate, such as data privacy and anti-corruption laws and regulations. The Group has in place a framework that proactively identifies applicable laws and regulatory obligations and embeds compliance into the Group’s day-to-day operations.

Environmental Climate Related Risk

Olive Tree Estates will be working with our local partner in Vietnam to develop a Task Force Climate Financial Disclosure (TCFD) roadmap in 2022 to address these risks.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

In the opinion of the directors,

- (i) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Long Chee Tim, Daniel
 Daniel Cuthbert Ee Hock Huat
 Cheong Mun Cheong Alan
 Soh Gim Teik (appointed on 1 September 2021)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2021	At 01.01.2021	At 31.12.2021	At 01.01.2021
Company				
(No. of ordinary shares)				
Long Chee Tim, Daniel	2,500,000	2,500,000	–	–

The directors' interests in the ordinary shares of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Daniel Cuthbert Ee Hock Huat (Chairman)
Cheong Mun Cheong Alan
Soh Gim Teik (appointed on 1 September 2021)

All members of the Audit Committee were independent and non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the Committee reviewed:

- The audit plan and audit findings report of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- The assistance given by the Company's management to the independent auditor;
- The consolidated financial statements of the Group for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021 before their submission to the Board of Directors, as well as the independent auditor's report on the consolidated financial statements of the Group and the statement of financial position of the Company;
- Interested person transactions as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual to ensure that they are on normal commercial terms and not prejudicial to the interest of the Company or its shareholders;
- The independence and objectivity of the independent auditor; and
- Make recommendation to the Board of Directors on the appointment, re-appointment and removal of independent auditor, and approve the remunerations and terms of engagement of the independent auditor.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Audit Committee has recommended to the Board of Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Long Chee Tim, Daniel

Director

Daniel Cuthbert Ee Hock Huat

Director

25 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Olive Tree Estates Limited (the "Company") and its subsidiary corporations (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments in associated companies

Refer to Notes 2.3(ii), 3 and 17 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

Key Audit Matters (Continued)

Investments in associated companies (Continued)

Refer to Notes 2.3(ii), 3 and 17 to the financial statements.

Area of focus

As at 31 December 2021, the Group invested in five development projects in Vietnam through equity investments in the following entities with total carrying amount of S\$4,955,000:

Name of associated companies	Carrying amount	Equity interest
	S\$'000	%
JME Investment Pte. Ltd. Group ("JMEI")	2,176	13.33
National Housing Organisation – Phu My 2 Joint Stock Company Group ("NHO PM2")	716	8.17
Bai Chay National Housing Organisation Joint Stock Company Group ("NHO BC")	921	8.17
Thuan Ann 2 National Housing Organization Joint Stock Company Group ("NHO TA2")	713	8.17
Hong Bang 2 National Housing Organization Joint Stock Company Group ("NHO HB2")	429	8.14

Based on the agreements signed between the shareholders of the respective entities, the Company is able to appoint a representative on the Board of Directors and Management and Supervisory Committee (collectively known as the "Boards") of JMEI, NHO PM2, NHO BC, NHO TA2 and NHO HB2 to participate in the relevant activities of the respective entities. The determination of the Company's investments in these entities is the result of management's consideration of many factors, principally, the Company's ability to exercise significant influence over JMEI, NHO PM2, NHO BC, NHO TA2 and NHO HB2.

The Company has assessed that it is deemed to have significant influence over the respective entities through its representative on the Boards and accordingly, classified these investments as associated companies in accordance with SFRS(I) 1-28 *Investments in Associates and Joint Ventures*.

The investments in associated companies are initially recognised at cost, and the carrying amounts are thereafter adjusted for the Group's share of the profit or loss of the associated companies under the equity method of accounting, less impairment losses, if any. At each reporting date, management reviewed whether there are objective evidence or indications that the carrying amounts of the Group's investments in associated companies may be impaired.

Due to the magnitude of the carrying amounts and share of results and significant judgement involved in the assessments of the appropriateness in the classification and impairment indicators of the Group's investments in JMEI, NHO PM2, NHO BC, NHO TA2 and NHO HB2, we have considered this as key audit matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

Key Audit Matters (Continued)

Investments in associated companies (Continued)

Refer to Notes 2.3(ii), 3 and 17 to the financial statements.

How our audit addressed the area of focus

Our audit procedures included but were not limited to:

- Evaluating the appropriateness of management's assessment of whether significant influence was obtained with reference to SFRS(I) 1-28 in view that the Company's interests in each of the investee is less than 20% by reviewing the terms and conditions of the sale and purchase agreements, the shareholders agreements and relevant minutes of meetings supporting the appointment of the Company's representative on the Boards or equivalent governing body and the Company's participation in policy-making and interchange of managerial personnel in respective entities.
- Validating the accounting treatment of the investments under the equity method of accounting are in accordance with SFRS(I) 1-28.
- Inquiring management on its basis of impairment assessment and evaluating whether there are indications of impairment which trigger an impairment analysis for the Group's investments in associated companies.
- Reviewing and assessing the appropriateness and adequacy of disclosures made in the Group's financial statements with regards to the investments in associated companies.

We also performed our audit procedures and determined the extent of our involvement in the audit of the equity accounted investments in associated companies and coordination with the component auditor in accordance with the requirements of SSA 600, *Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors)*. Amongst other audit procedures, we discussed with component auditor the identified significant risks of misstatements, including the nature, timing and extent of audit procedures to address these risks. We examined reporting documents received from and reviewed working papers provided by the component auditor in this regard and assessed the impact thereof on the consolidated financial statements of the Group. We have also evaluated the significant accounting policies of the associated companies to ensure alignment with Group accounting policies.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLIVE TREE ESTATES LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Loh Hui Nee.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountant

Singapore
25 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 S\$'000	2020 S\$'000
Revenue	4	2,654	3,804
Cost of sales		(1,222)	(2,539)
Gross profit		1,432	1,265
Other income	5	73	685
Selling and distribution expenses		(50)	(129)
Administrative expenses		(2,203)	(2,432)
Finance expenses	8	(283)	(335)
Other gains/(losses), net	9	55	(729)
Share of losses of associated companies	17	(30)	(21)
Loss before income tax		(1,006)	(1,696)
Income tax (expense)/credit	10	(162)	51
Net loss for the financial year		(1,168)	(1,645)
Other comprehensive income/(loss)			
Item may be reclassified subsequently to profit or loss:			
– Share of other comprehensive income/(loss) of associated companies	17	90	(79)
Total comprehensive loss for the financial year		(1,078)	(1,724)
Loss per share attributable to equity holders of the Company			
– Basic and diluted (S\$)	11	(0.02)	(0.02)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Group	
	Note	2021 S\$'000	2020 S\$'000
ASSETS			
Current assets			
Cash and bank balances	12	2,628	1,781
Trade and other receivables	13	207	204
Deferred income tax assets	14	–	60
Development properties	15	–	1,222
		2,835	3,267
Non-current assets			
Trade and other receivables	13	351	378
Investments in associated companies	17	4,955	4,895
Investment properties	18	9,753	10,356
Financial assets, at fair value through profit or loss (“FVPL”)	19	2,605	1,555
Property, plant and equipment	20	–	1
		17,664	17,185
Total assets		20,499	20,452
LIABILITIES			
Current liabilities			
Trade and other payables	21	1,760	3,844
Borrowings	22	1,856	1,827
Current income tax liabilities		80	44
		3,696	5,715
Non-current liabilities			
Borrowings	22	10,812	7,668
Total liabilities		14,508	13,383
NET ASSETS		5,991	7,069
EQUITY			
Share capital	23	7,946	7,946
Reverse acquisition reserve	24	(10,597)	(10,597)
Currency translation reserve		9	(81)
Retained profits		8,633	9,801
TOTAL EQUITY		5,991	7,069

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Company	
		2021 S\$'000	2020 S\$'000
ASSETS			
Current assets			
Cash and bank balances	12	178	559
Trade and other receivables	13	100	114
		278	673
Non-current assets			
Trade and other receivables	13	351	378
Investments in subsidiary corporations	16	3,798	20,219
Investments in associated companies	17	4,919	4,919
Financial assets, at fair value through profit or loss ("FVPL")	19	2,605	1,555
Property, plant and equipment	20	–	1
		11,673	27,072
Total assets		11,951	27,745
LIABILITIES			
Current Liabilities			
Trade and other payables	21	5,714	4,241
Total liabilities		5,714	4,241
NET ASSETS		6,237	23,504
EQUITY			
Share capital	23	56,342	56,342
Treasury shares	23	(23)	(23)
Accumulated losses*		(50,082)	(32,815)
TOTAL EQUITY		6,237	23,504

* Accumulated losses, inclusive of the amount of S\$23,000 (2020: S\$23,000) utilised to purchase treasury shares are non-distributable.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital S\$'000	Reverse acquisition reserve S\$'000	Currency translation reserve S\$'000	Retained profits* S\$'000	Total equity S\$'000
2021					
Beginning of financial year	7,946	(10,597)	(81)	9,801	7,069
Total comprehensive loss for the financial year	-	-	90	(1,168)	(1,078)
End of financial year	7,946	(10,597)	9	8,633	5,991
2020					
Beginning of financial year	7,946	(10,597)	(2)	11,446	8,793
Total comprehensive loss for the financial year	-	-	(79)	(1,645)	(1,724)
End of financial year	7,946	(10,597)	(81)	9,801	7,069

* Retained profits of the Group are fully distributable except for retained profits of associated companies amounting to S\$27,000 (2020: S\$57,000).

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 S\$'000	2020 S\$'000
Cash flows from operating activities			
Net loss		(1,168)	(1,645)
Adjustments for:			
– Depreciation of investment properties	6	603	604
– Depreciation of property, plant and equipment	6	1	3
– Income tax expense/(credit)	10	162	(51)
– Finance expenses	8	283	335
– Fair value (gains)/losses on financial assets, at FVPL	9	(58)	213
– Bad debts written off	9	–	265
– Amortisation of interest income of loan to associated company	5	(9)	(8)
– Loss on amortisation of interest-free non-current other receivables from controlling shareholder	9	–	37
– Share of losses of associated companies	17	30	21
– Unrealised currency translation (gains)/losses		(3)	4
		(159)	(222)
Change in working capital:			
– Trade and other receivables		36	(301)
– Development properties		1,222	2,539
– Trade and other payables		(558)	528
Cash generated from operations		541	2,544
Income tax paid		(66)	(54)
Net cash provided by operating activities		475	2,490
Cash flows from investing activities			
Additions to investments in associated companies	17	–	(1,167)
Additions to financial assets, at FVPL	19	(992)	(733)
Loan to an associated company		–	(196)
Net cash used in investing activities		(992)	(2,096)
Cash flows from financing activities			
Repayment of bank borrowings		(1,827)	(2,350)
(Repayment)/loan from a director		(763)	750
(Repayment)/loan from a shareholder		(763)	750
Proceeds from bank borrowings		5,000	–
Interest paid		(283)	(309)
Net cash provided by/(used in) financing activities		1,364	(1,159)
Net increase/(decrease) in cash and bank balances		847	(765)
Beginning of financial year		1,781	2,546
End of financial year	12	2,628	1,781

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Reconciliation of liabilities arising from financing activities

	As at 1 January S\$'000	Proceeds from borrowings S\$'000	Principal and interest repayments S\$'000	Non-cash changes Interest expense S\$'000	As at 31 December S\$'000
2021					
Bank borrowings	9,495	5,000	(2,104)	277	12,668
Loan from a director	763	–	(766)	3	–
Loan from a shareholder	763	–	(766)	3	–
2020					
Bank borrowings	11,845	–	(2,659)	309	9,495
Loan from a director	–	750	–	13	763
Loan from a shareholder	–	750	–	13	763

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

Olive Tree Estates Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 29 December 2017.

The registered office of the Company is at 3 Phillip Street, #16-02A Royal Group Building, Singapore 048693.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiary corporations are disclosed in Note 16 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$") and have been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Coronavirus (COVID-19) Impact

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movements controls and other measures imposed by the various governments. The Group's significant operations are in Singapore while its associated companies operate in Vietnam, all of which have been affected by the spread of COVID-19 since 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Coronavirus (COVID-19) Impact (Continued)

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the financial year ended 31 December 2021.

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate as the Group and the Company are able to settle the current liabilities after taking into consideration the additional line of credit facility offered by the financial institution amounting to S\$5 million which the Group has obtained and fully drawn down in February 2021. The loan will be repaid in 48 monthly installments with the 12-month principal repayment moratorium from the drawn down date.
- (ii) In December 2021, the Group has refinanced the current bank borrowing amounting S\$7.67 million. The loan will be repaid in 108 monthly instalments, in which the first repayment will be commencing in March 2022.
- (iii) The Group has considered the market conditions including the impact of COVID-19 as at the reporting date, in making estimates and judgements on the recoverability of assets as at 31 December 2021.

As the COVID-19 pandemic continues to evolve, the Group continues to be impacted by the measures taken by governments to combat the spread of the pandemic. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial period.

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point of time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of development properties*

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract liability is recognised when the Group has not transferred the control over the property to customer but has received advanced payments from the customer. Contract liabilities are recognised as revenue when customer obtains control over the property.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(b) *Rental income*

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

(c) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting

(i) Subsidiary corporations

(a) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct activities of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

The acquisition method of accounting is used to account for business combinations entered into by the Group.

(b) Acquisitions

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (Continued)

(i) Subsidiary corporations (Continued)

(b) Acquisitions (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill.

If these amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

(c) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (Continued)

(ii) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above. If an investor holds, directly or indirectly (eg. through subsidiary corporations), less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

The existence of significant influence by an investor is usually evidenced in one or more of the following ways:

- Representative on the board of directors or equivalent governing body of the investee;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the investor and the investee;
- Interchange of managerial personnel; or
- Provision of essential technical information.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(a) Acquisition

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (Continued)

(ii) Associated companies (Continued)

(b) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated companies, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated companies. If the associated companies subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(c) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated companies is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations and associated companies in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computers	3 years

The estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (Continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses), net".

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the development of properties under construction. This includes those costs on borrowings acquired specifically for the development of properties under construction as well as those in relation to general borrowings used to finance the development properties under construction.

2.6 Investment properties

Investment properties include those portions of leasehold factory units that are held for long-term rental yield and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment loss. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 20 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.7 Investments in subsidiary corporations and associated companies

Investments in subsidiary corporations and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation. Development properties are held as inventories and are stated at lower of cost and the estimated net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of business based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, write-down is made for development properties when it is anticipated that the net realisable value has fallen below cost.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction costs, related overhead expenditure, and financing charges and other net costs incurred during the period of development. A write-down is made for development properties when it is anticipated that the net realisable value has fallen below cost. Revenue recognition on development properties is described in Note 2.2(a) to the financial statements. The costs of development properties are recognised in profit or loss on disposal are determined with reference to specific costs incurred on the property sold on an allocation of any non-specific costs based on relative size of property sold.

2.9 Impairment of non-financial assets

Investments in subsidiary corporations and associated companies

Investment properties

Property, plant and equipment

Investments in subsidiary corporations and associated companies, investment properties and property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets (Continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.10 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVPL")

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivative are considered in their entirety when determining whether the cash flows are solely payment of principal and interest

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (Continued)

(a) Classification and measurement (Continued)

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables and unlisted debt securities.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as FVPL. Movement in fair value and interest income is recognised in profit or loss in the period in which arises and presented in other gains/(losses), net.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (Continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantees contracts are initially measured at fair value and subsequently measured at the higher of:

- (a) Amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) The amount of expected loss allowance computed using the impairment methodology under the requirement of SFRS(I) 9 Financial Instruments (Note 2.10 – Financial assets to the financial statements).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Leases

(i) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (Continued)

(i) *When the Group is the lessee: (Continued)*

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (Continued)

(ii) *When the Group is the lessor:*

The Group leases factory units under operating leases to non-related parties.

Lease of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Income taxes (Continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee compensation (Continued)

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.19 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) *Transaction and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "Other gains/(losses), net".

(c) *Translation of Group entities financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Currency translation (Continued)

(c) *Translation of Group entities financial statements (Continued)*

- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Directors who are responsible for allocating resources and assessing performance of the operating segments.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company or any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant influence over associated companies

Judgement is required to determine when the Company establishes significant influence over an investee. Management reviews the classification of its investments in associated companies upon acquisition and at least annually or whenever there are any changes to the percentage of shareholding. The Company is presumed to not have significant influence if it holds, directly or indirectly, less than 20% of voting power of the investee unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Pursuant to the sale and purchase agreements, the Company would be able to appoint a representative on the Boards of the respective associated companies to participate in the relevant activities of each entity. Based on this, management concluded that the Company has significant influence over JMEI, NHO PM2, NHO BC, NHO TA2 and NHO HB2 and has accounted for its investments in these entities as associated companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

Impairment of investments in associated companies

Investments in associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each asset or CGU and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Management has assessed that there is no objective evidence or indication that the carrying amounts of the Group's investments in associated companies may not be recoverable as at the reporting date and accordingly an impairment assessment is not required. The carrying amounts of investments in associated companies at the reporting date are disclosed in Note 17 to the financial statements.

4 REVENUE

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Singapore</u>		
Rental income (Notes 18)	1,079	714
Sale of development properties – at a point in time	1,575	3,090
	2,654	3,804

5 OTHER INCOME

	Group	
	2021	2020
	S\$'000	S\$'000
Rental support income from controlling shareholder	–	490
Amortisation of interest income of loan to associated company	9	8
Grant income:		
– Jobs Support Scheme	7	101
– Property tax rebate	–	32
– Government cash grant	–	43
– Job Growth Incentive Scheme	32	–
– Other government grants	25	11
	73	685

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5 OTHER INCOME (CONTINUED)

Grant income recognised during the financial year pertains to the Jobs Support Scheme (the "JSS"), property tax rebate, government cash grant and other various government initiatives such as the Jobs Growth Incentive (the "JGI"), Work from Home Grant, SGUnited Traineeship Programme, Wage Credit Scheme, Enterprise Development Grant and AGM Facilitation Grant.

The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. The scheme has been extended up to 2021 by the Government. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

For non-residential properties' property tax rebates were granted for the period 1 January 2020 to 31 December 2020. The Government announced on 26 May 2020 as part of the Fortitude Budget, a Government cash grant to qualifying property owners that would support rental relief for Small and Medium Enterprises (SMEs) and specified Non-Profit Organisations (NPOs) tenant-occupiers of prescribed properties.

The JGI is a salary support scheme that provides support to employers to expand local hiring from September 2020 to September 2021. The duration of JGI support will depend on when the local hire was hired and the characteristic of the local hire.

6 EXPENSES BY NATURE

	Group	
	2021 S\$'000	2020 S\$'000
Cost of development properties sold	1,222	2,539
Depreciation of investment properties (Note 18)	603	604
Depreciation of property, plant and equipment (Note 20)	1	3
Directors' fee	145	145
Director's remuneration	192	192
Employee compensation (Note 7)	590	709
Fee on audit services paid/payable to:		
– Auditor of the Company	86	83
– Other auditors	28	34
Legal and professional fees	194	252
Maintenance and sinking fund	28	43
Property tax	107	79
Selling and marketing	50	129
Sponsorship fee	63	68
Grant expenses	–	32
Short term office rental	46	21
Repair and maintenance	31	40
Others	89	127
Total cost of sales, selling and distribution and administrative expenses	3,475	5,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 EMPLOYEE COMPENSATION

	Group	
	2021 S\$'000	2020 S\$'000
Salaries	551	648
Employer's contribution to defined contribution plans including Central Provident Fund	33	54
Other short-term benefits	6	7
	590	709

8 FINANCE EXPENSES

	Group	
	2021 S\$'000	2020 S\$'000
Interest expense		
– Bank borrowings	277	309
– Loan from a director	3	13
– Loan from a shareholder	3	13
	283	335

9 OTHER GAINS/(LOSSES), NET

	Group	
	2021 S\$'000	2020 S\$'000
Currency exchange losses/(gains) – net	3	(11)
Fair value (gains)/losses on financial assets, at FVPL (Note 19)	(58)	213
Loss on amortisation of interest-free non-current other receivables from controlling shareholder	–	37
Discount for settlement of rental support income from controlling shareholder	–	225
Bad debts written off	–	265
	(55)	729

The bad debts written off of S\$0.27 million is for the deposit paid for the purchase of Kempas land as the agreement in relation to the project to develop the Kempas land had lapsed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10 INCOME TAXES

	Group	
	2021	2020
	S\$'000	S\$'000
Tax expense/(credit) attributable to loss is made up of:		
– Current income tax	83	20
– Deferred income tax (Note 14)	30	(60)
Under/(Over) provision in prior financial years		
– Current income tax	19	(11)
– Deferred income tax (Note 14)	30	–
	162	(51)

The tax on the Group's results before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Loss before income tax	(1,006)	(1,696)
Less: Share of loss of profit of associated companies, net of tax	30	21
	(976)	(1,675)
Tax calculated at tax rate of 17% (2020: 17%)	(166)	(285)
Effects of:		
– Expenses not deductible for tax purposes	308	382
– Income not subject to tax	(12)	(21)
– Statutory tax exemption	(17)	(17)
– Deferred income tax asset recognised	–	(60)
– Utilisation of tax losses	–	(39)
– Over provision of deferred income tax assets in prior financial years	30	–
– Under/(over) provision of tax in prior financial years	19	(11)
	162	(51)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11 LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

The basic and diluted loss per share for the financial years ended 31 December 2021 and 2020 are the same as there were no potential dilutive ordinary shares in existence for the financial years ended 31 December 2021 and 2020.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the financial years ended 31 December 2021 and 2020:

	Group	
	2021	2020
Net loss for the financial year attributable to equity holders of the Company (S\$'000)	(1,168)	(1,645)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share computation ('000)	68,848	68,848
Basic and diluted loss per share (S\$ per share)	(0.02)	(0.02)

12 CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Bank balances	2,628	1,781	178	559

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13 TRADE AND OTHER RECEIVABLES

	Group	
	2021 S\$'000	2020 S\$'000
Current		
Trade receivables		
– Non-related parties	105	87
Other receivables		
– Controlling shareholder	54	84
– Non-related parties	–	14
Goods and Services Tax (“GST”) receivables	7	–
Grant receivables	18	10
Deposits	12	2
Prepayments	11	7
	207	204
Non-current		
Other receivables – Controlling shareholder	176	215
Loan to associated company	175	163
	351	378
	Company	
	2021 S\$'000	2020 S\$'000
Current		
Other receivables		
– Controlling shareholder	54	84
– Non-related parties	–	14
	54	98
Goods and Services Tax (“GST”) receivables	7	–
Grant receivables	18	10
Deposits	11	–
Prepayments	10	6
	100	114
Non-current		
Other receivables – Controlling shareholder	176	215
Loan to associated company	175	163
	351	378

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

Current

Other receivables from controlling shareholder are non-trade, unsecured, interest-free and receivable on demand and specifically relate to rental support arrangements provided by the controlling shareholder.

Non-current

Other receivables from controlling shareholder are non-trade, unsecured and interest free. The amounts are not repayable within the next 12 months and will be subject to an annual review on the terms and conditions of the payment plan.

Loan to associated company is non-trade, unsecured and interest free. The amounts are for a period of 4 years and the associated company has the option to extend for another year upon expiry of the term.

Fair value of non-current receivables:

	Group and Company	
	2021	2020
	S\$'000	S\$'000
Other receivables – Controlling shareholder	159	188
Loan to associated company	175	163
	334	351

The above fair value is determined from the cash flow analyses, discounted at market borrowing rate of an equivalent instrument at the reporting date which the directors expect to be available to the Group and the Company as follows:

	Group and Company	
	2021	2020
	%	%
Other receivables – Controlling shareholder	5.25	5.25
Loan to associated company	5.25	5.25

The fair value is within Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14 DEFERRED INCOME TAX ASSETS

	Group	
	2021	2020
	S\$'000	S\$'000
Deferred income tax assets – tax losses	–	60

The movement in deferred income tax assets account is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Beginning of financial year	60	–
Tax (charged)/credited to profit or loss (Note 10)	(60)	60
End of financial year	–	60

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profit is probable. The deferred income tax assets relate to carried forward tax losses of Chiu Teng 8 Pte Ltd. The subsidiary corporation has incurred tax losses over the last financial years due to no sales of development properties. The Group has concluded that the deferred tax assets will be recoverable based on the estimated future taxable income of the subsidiary corporation based on the subsequent sales of the development properties. The tax losses has no expiry date.

15 DEVELOPMENT PROPERTIES

	Group	
	2021	2020
	S\$'000	S\$'000
Properties held for sale	–	1,222

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15 DEVELOPMENT PROPERTIES (CONTINUED)

At 31 December 2020, the development properties held by the Group are as follows:

Location	Description	Tenure	Issuance date of Temporary Occupation Permit ("TOP")	Issuance date of Certificate of Statutory Completion ("CSC")	Site area (sq. m)	Gross floor area (sq.m)
421 Tagore Industrial Avenue	4 storey multi user industrial building	Freehold	17 June 2015	02 September 2015	4,325	8,650

The development properties were pledged as security for the Group's mortgage loans (Note 22) of S\$975,000 as at 31 December 2020. Consequently, the Group's mortgages in relation to said development properties have been repaid and discharged.

16 INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2021 S\$'000	2020 S\$'000
Equity investments at cost	20,219	20,219
Less: Allowance for impairment	(16,421)	-
Equity investments net of impairment	3,798	20,219
Movements in allowance for impairment:		
Beginning of financial year	-	-
Impairment charge	16,421	-
End of financial year	16,421	-

As at 31 December 2021, the Company assessed the recoverable amounts of its investments in subsidiary corporations. Following to the assessment performed by management, the recoverable amount of Chiu Teng 8 Pte Ltd was estimated to be S\$1,000,000 based on its financial performance. As this subsidiary corporation has sold all the development properties and there are no plans for additional cash-generating business, therefore an impairment loss of S\$16,421,000 is recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Company has the following subsidiary corporations as at 31 December 2021 and 2020:

Name of subsidiary corporations	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company	
			2021 %	2020 %
<u>Held by the Company</u>				
Chiu Teng 8 Pte Ltd ("CT8") ^(a)	Property development	Singapore	100	100
WBH Investments Pte Ltd ^(a)	Investment properties holdings and rental	Singapore	100	100
Tree Top Realty Sdn Bhd ^(b)	Property development	Malaysia	100	100

(a) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

(b) Audited by Nexia SSY, Malaysia, a member firm of Nexia International.

As at 31 December 2021, Tree Top Realty Sdn Bhd is in the process of deregistration with the relevant authorities in Malaysia.

17 INVESTMENTS IN ASSOCIATED COMPANIES

	Company	
	2021 S\$'000	2020 S\$'000
<u>Equity investments, at cost</u>		
Beginning of financial year	4,919	3,752
Additions	-	1,167
End of financial year	4,919	4,919

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

The Company has the following associated companies as at 31 December 2021 and 2020:

Name of associated companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Company	
			2021 %	2020 %
JME Investment Pte Ltd ("JMEI") ^(a)	Property development	Singapore	13.33	13.33
Bai Chay National Housing Organization Joint Stock Company ("NHO BC") ^(b)	Property development	Vietnam	8.17	8.17
National Housing Organization – Phu My 2 Joint Stock Company ("NHO PM2") ^(b)	Property development	Vietnam	8.17	8.17
Thuan Ann 2 National Housing Organization Joint Stock Company ("NHO TA2") ^(b)	Property development	Vietnam	8.17	8.17
Hong Bang 2 National Housing Organization Joint Stock Company ("NHO HB2") ^(b)	Property development	Vietnam	8.14	8.17

(a) Audited by Nexia TS Public Accounting Corporation (2020: Ernst & Young Singapore)

(b) Audited by BDO Vietnam

NHO Binh Duong, being the major shareholder of NHO HB2 has invested additional VND383,340,000 in NHO HB2 for 38,334 ordinary shares in March 2021, which has resulted the proportion of shareholding held by the Company has been diluted from 8.17% to 8.14%.

As at 31 December 2020, the Company completed its acquisition of 8.17% equity interest in NHO TA2 and NHO HB2 for the purpose of co-development of two properties in Vietnam. The Group has significant influence over these entities.

There are no contingent liabilities relating to the Group's interest in the associated companies.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

The following summarises the financial information of the Group's material associated companies based on their respective consolidated financial statements prepared in accordance with SFRS(I) adjusted for fair value adjustments on acquisition and differences with the Group's accounting policies.

	JMEI Group \$'000	NHO BC Group \$'000	NHO PM2 Group \$'000	NHO TA2 Group S\$'000	NHO HB2 Group \$'000	Total S\$'000
31 December 2021						
Revenue	–	201	–	–	1,434	
Net (loss)/profit	(1)	(446)	155	379	(449)	
Other comprehensive income	5	295	268	257	294	
Total comprehensive income/(loss)	4	(151)	423	636	(155)	
Attributable to:						
– Non-controlling interests	3	–	388	584	(141)	
– Associated company's shareholders	1	(151)	35	52	(14)	
Current assets	4,451	31,289	12,845	25,915	33,856	
Non-current assets	16,254	3,605	13,322	417	2,889	
Current liabilities	(4,319)	(12,602)	(95)	(4,490)	(8,647)	
Non-current liabilities	–	(12,912)	(4,173)	–	(10,131)	
Net assets	16,386	9,380	21,899	21,842	17,967	
Attributable to:						
– Non-controlling interests	1,455	–	12,934	13,074	11,692	
– Associated company's shareholders	14,931	9,380	8,965	8,768	6,275	
Proportion of the Group's ownership	13.33%	8.17%	8.17%	8.17%	8.14%	
Group's share of net assets	1,993	764	732	716	510	4,715
Goodwill	322	188	10	–	–	520
Others	(139)	(31)	(26)	(3)	(81)	(280)
Carrying amount as at end of the financial year	2,176	921	716	713	429	4,955
Carrying amount:						
– At beginning of the financial year	2,175	935	682	661	442	4,895
Group's share of (loss)/profit	–	(37)	13	31	(37)	(30)
Group's share of other comprehensive income	1	23	21	21	24	90
Carrying amount as at end of the financial year	2,176	921	716	713	429	4,955

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17 INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

	JMEI Group \$'000	NHO BC Group \$'000	NHO PM2 Group \$'000	NHO TA2 Group S\$'000	NHO HB2 Group \$'000	Total S\$'000
31 December 2020						
Revenue	–	1,929	–	–	–	
Net (loss)/profit	(141)	(218)	181	199	(193)	
Other comprehensive loss	(77)	(160)	(150)	(394)	(381)	
Total comprehensive (loss)/income	(218)	(378)	31	(195)	(574)	
Attributable to:						
– Non-controlling interests	(189)	–	28	(179)	(527)	
– Associated company's shareholders	(29)	(378)	3	(16)	(47)	
Current assets	3,952	14,240	12,270	24,717	26,406	
Non-current assets	16,614	2,455	12,751	4	2,800	
Current liabilities	(4,221)	(3,407)	(29)	(4,244)	(12,627)	
Non-current liabilities	–	(3,757)	(4,021)	–	–	
Net assets	16,345	9,531	20,971	20,477	16,579	
Attributable to:						
– Non-controlling interests	1,408	–	12,429	12,345	10,170	
– Associated company's shareholders	14,937	9,531	8,542	8,132	6,409	
Proportion of the Group's ownership	13.33%	8.17%	8.17%	8.17%	8.17%	
Group's share of net assets	1,992	778	698	664	523	4,655
Goodwill	322	188	10	–	–	520
Others	(139)	(31)	(26)	(3)	(81)	(280)
Carrying amount as at end of the financial year	2,175	935	682	661	442	4,895
Carrying amount:						
– At beginning of the financial year	2,183	966	679	–	–	3,828
– At acquisition date	–	–	–	677	490	1,167
Group's share of (loss)/profit	(18)	(18)	15	16	(16)	(21)
Group's share of other comprehensive income/(loss)	10	(13)	(12)	(32)	(32)	(79)
Carrying amount as at end of the financial year	2,175	935	682	661	442	4,895

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18 INVESTMENT PROPERTIES

	Group	
	2021 S\$'000	2020 S\$'000
<i>Cost</i>		
Beginning and end of financial year	12,166	12,166
<i>Accumulated depreciation</i>		
Beginning of financial year	1,810	1,206
Depreciation charge (Note 6)	603	604
End of financial year	2,413	1,810
Net book value		
End of financial year	9,753	10,356
Fair value		
End of financial year	11,035	11,530

The investment properties are pledged as security for the Group's bank borrowings (Note 22) of S\$7,668,000 as at 31 December 2021 (2020: S\$8,520,000).

At the reporting date, the details of the Group's investment properties are as follows:

Location	Description	Tenure
1 Commonwealth Lane, Units #01-07 to #01-15 and #01-17 to #01-20, Singapore	Factory units	30 years from 1 March 2008

The following amounts are recognised in profit or loss:

	Group	
	2021 S\$'000	2020 S\$'000
Rental income (Note 4)	1,079	714
Direct operating expenses arising from rental generating investment properties	135	104

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18 INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

	Fair value measurement using		
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant other observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000
2021			
– Factory units in Singapore	–	11,035	–
2020			
– Factory units in Singapore	–	11,530	–

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the Market Comparison method. Market prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation method is market price per square metre.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2021, the fair values of the investment properties have been determined by RHT Valuation Pte. Ltd. (2020: RHT Valuation Pte. Ltd.).

19 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

	Group and Company	
	2021 S\$'000	2020 S\$'000
Beginning of financial year	1,555	1,035
Additions	992	733
Fair value gains/(losses) (Note 9)	58	(213)
End of financial year	2,605	1,555
Non-current		
Unlisted debt instrument		
– Convertible loans	2,605	1,555

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL") (CONTINUED)

The convertible loans were designated as financial assets, at FVPL upon initial recognition.

The Group measures the fair values of the convertible loans using the probability-weighted average value of two scenarios, i.e. redemption and conversion. The discount rate of 12.0% (2020: 12.5%) is used to determine the fair value of the financial assets, at FVPL. The fair value is categorised under Level 3 of the fair value hierarchy.

20 PROPERTY, PLANT AND EQUIPMENT

	Computers S\$'000
Group and Company	
2021	
<i>Cost</i>	
Beginning and end of financial year	<u>9</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	8
Depreciation charge (Note 6)	<u>1</u>
End of financial year	<u>9</u>
Net book value	
End of financial year	<u>–</u>
Computers S\$'000	
Group and Company	
2020	
<i>Cost</i>	
Beginning and end of financial year	<u>9</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	5
Depreciation charge (Note 6)	<u>3</u>
End of financial year	<u>8</u>
Net book value	
End of financial year	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Accruals of operating expenses	146	383	109	316
Other payables				
– Non-related parties	352	389	49	130
– Subsidiary corporations	–	–	4,410	1,016
– Director	–	763	–	763
– Shareholder	–	763	–	763
Unutilised sponsorship	1,146	1,251	1,146	1,251
GST payables	18	209	–	2
Advance rental received	98	86	–	–
	1,760	3,844	5,714	4,241

Other payables to subsidiary corporations are non-trade, unsecured, interest-bearing at 0.5% per annum over the applicable 3-months Singapore Overnight Rate Average (SORA) and payable on demand.

Loan from a director and a shareholder are non-trade, unsecured, interest-bearing at 3.25% per annum and payable on demand and have been repaid in 2021.

22 BORROWINGS

	Group	
	2021 S\$'000	2020 S\$'000
<i>Bank borrowings</i>		
– Current	1,856	1,827
– Non-current	10,812	7,668
	12,668	9,495

The borrowings of the Group are at fixed interest rates with terms of 2 years and 5 years respectively. Therefore, there is no impact on interest rate changes and contractual re-pricing on the loans for the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22 BORROWINGS (CONTINUED)

(a) Securities granted

Bank borrowings amounting to S\$7,668,000 as at 31 December 2021 (2020: S\$9,495,000) were secured by the followings:

- (i) Corporate guarantee from the Company;
- (ii) A first legal mortgage to be executed over the investment properties (Note 18);
- (iii) Legal assignment of rental proceeds/charge over rental account of all current and future rental income from the investment properties (Note 18); and
- (iv) A legal assignment of all rights, titles and interests resulting from the sale and purchase agreement(s) of the investment properties.

Bank borrowings amounting to S\$5,000,000 as at 31 December 2021 (2020: NIL) were secured by a corporate guarantee from the Company.

(b) Fair value of non-current borrowings

	Group	
	2021 S\$'000	2020 S\$'000
Bank borrowings	9,366	7,509

The fair value above is determined from the cash flow analyses, discounted at market borrowing rate of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	Group	
	2021 %	2020 %
Bank borrowings	1.89	2.11

The fair value is within Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23 SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Issued share capital S\$'000	Treasury shares S\$'000
Group				
2021				
Beginning and end of financial year	68,848	–	7,946	–
2020				
Beginning and end of financial year	68,848	–	7,946	–
Company				
2021				
Beginning and end of financial year	68,848	(3)	56,342	(23)
2020				
Beginning and end of financial year	68,848	(3)	56,342	(23)

The equity structure (i.e. the number and type of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.

The amount of the Group's share capital differs from that of the Company as a result of reverse acquisition accounting applied during the Company's reverse takeover on 11 December 2017.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The newly issued shares rank pari passu in all respects with the previously issued shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Treasury shares

The Company acquired 2,500 of its shares in the open market in financial year 2010. The total amount paid to acquire the shares was S\$23,000 and this was presented as a component within shareholders' equity which are not distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24 REVERSE ACQUISITION RESERVE

Reverse acquisition reserve is the cash consideration paid/payable for the acquisition of CT8 which was accounted for as cash distribution from consolidated group to CT8's shareholders. In view that the consolidated financial statements are a continuation of CT8's financial statements in conjunction with reverse acquisition, the cash consideration cannot form part of the consideration transferred by acquirer as the Company is the accounting acquiree.

This reserve is non-distributable.

25 CONTINGENT LIABILITIES

Company

The Company has provided corporate guarantees to banks for borrowings of certain subsidiary corporations, amounting to S\$12,668,000 (2020: S\$9,495,000) as at 31 December 2021.

The Company has evaluated the fair values of the corporate guarantees and is of the view that both the consequential liabilities derived from its guarantees to the banks with regard to certain subsidiary corporations and the fair values of the corporate guarantees are minimal. The subsidiary corporations for which the guarantees were provided are in favourable equity positions, with no default in the payment of borrowings and credit facilities.

26 OPERATING LEASE COMMITMENT

The Group leases factory units to non-related parties under non-cancellable operating leases. The leases have varying terms and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Not later than one year	1,152	944
Between one and five years	1,681	1,899
	2,833	2,843

NOTES TO THE FINANCIAL STATEMENTS

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27 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. As at 31 December 2021, the Group does not hold or issue derivative instrument for trading purposes.

Risk management is integral to the whole business of the Group. Financial risk management is carried out by the Board of Directors. The Group has a system of controls in place to create an acceptable balance between the cost of risk occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) *Market risk*

(i) *Currency risk*

The Group and the Company do not have significant exposure to currency risk as it operates only in Singapore. Revenue and expenses are predominantly denominated in Singapore Dollar. As at 31 December 2021, the Group's and the Company's exposure to currency risk arise from financial assets, at FVPL and loan to associated company amounting to S\$2,605,000 (2020: S\$1,555,000) and S\$175,000 (2020: S\$163,000) respectively which are denominated in United States Dollar. If the United States Dollar changes against Singapore Dollar by 1% with all other variables including tax rate held constant, management is of the opinion the impact to profit after tax is not significant.

(ii) *Price risk*

The Group and the Company have no exposure to equity securities price risk as the investments classified as financial assets, at FVPL are unlisted debt instruments.

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27 FINANCIAL RISK MANAGEMENT

Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risks (Continued)

The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings.

The Group's borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates had increased/decreased by 1% with all other variables including tax rate being held constant, management is of the opinion the impact to profit after tax as a result of higher/lower interest expenses on these borrowings would not be significant.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Executive Directors based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the Directors.

Cash and bank balances are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables which derived from rental income are substantially companies with a good collection track record.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

NOTES TO THE FINANCIAL STATEMENTS

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27 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(b) Credit risk (Continued)

As at 31 December 2021 and 2020, the loan or receivables are not past due and are not subject to any material credit losses.

As at 31 December 2021, the trade receivables are corporate companies and comprise of 2 (2020: 2) debtors that individually represent 13% and 87% (2020: 49% and 51%) of trade receivables in the respective financial year ended.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position except as follows:

	Company	
	2021	2020
	S\$'000	S\$'000
Corporate guarantees provided to banks on subsidiary corporation's loans (Note 25)	12,668	9,495

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group for managing liquidity risk included cash and bank balances.

The Group's policy in managing liquidity risk is to maintain sufficient cash and bank balances and adequate amount of committed credit facilities to enable the Group to meet its operating commitments.

NOTES TO THE FINANCIAL STATEMENTS

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27 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(c) *Liquidity risk (Continued)*

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year S\$'000	Between 1 to 5 years S\$'000	More than 5 years S\$'000	Total S\$'000
Group				
At 31 December 2021				
Trade and other payables	498	–	–	498
Borrowings	1,856	8,097	3,852	13,805
	2,354	8,097	3,852	14,303
At 31 December 2020				
Trade and other payables	2,298	–	–	2,298
Borrowings	1,827	7,830	–	9,657
	4,125	7,830	–	11,955
				Less than 1 year S\$'000
Company				
At 31 December 2021				
Trade and other payables				4,568
Financial guarantee contract (Note 25)				12,668
				17,236
At 31 December 2020				
Trade and other payables				2,988
Financial guarantee contract (Note 25)				9,495
				12,483

NOTES TO THE FINANCIAL STATEMENTS

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27 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(d) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group's strategy is to maintain a gearing ratio not higher than 1.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (excluding current income tax liabilities) less cash and bank balances. Total capital is calculated as net debt plus total equity.

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Net debt	11,800	11,558	5,536	3,682
Total equity	5,991	7,069	6,237	23,504
Total capital	17,791	18,627	11,773	27,186
Gearing ratio (times)	0.66	0.62	0.47	0.14

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

(e) *Financial instruments by category*

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Financial assets at amortised cost	3,168	2,356	612	1,045
Financial assets, at FVPL	2,605	1,555	2,605	1,555
Financial liabilities at amortised cost	13,166	11,793	4,568	2,988

NOTES TO THE FINANCIAL STATEMENTS

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28 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) *Sale and purchase of goods and services*

There are no sale and purchase transactions between the Group and related parties.

Outstanding balances at the balance sheet date arising from related parties are disclosed in Notes 13 and 21 to the financial statements.

(b) *Key management personnel compensation*

The key management personnel compensation for the Group and the Company is as follows:

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Salaries:				
– Director of the Company	180	180	180	180
– Other key management	540	544	540	544
Employer's contribution to defined contribution plans, including Central Provident Fund:				
– Director of the Company	12	12	12	12
– Other key management	31	36	31	36
Directors' fees	145	145	145	145
	908	917	908	917

29 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Directors, who are also the chief operating decision maker and uses the reports to make strategic decisions.

Management considers the business from both a geographical and business segment perspective. The Group has 3 reportable operating segments: Investment, property development and property rental, which currently operate mainly in Singapore and Vietnam as the Group's property development in Malaysia has not commenced. As at 31 December 2021, subsidiary in Malaysia is in the process of deregistration with the relevant authorities in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29 SEGMENT INFORMATION (CONTINUED)

The following summary describes the operations in each of the Group's reportable segments:

- (a) Investment: Investment holding
- (b) Property development: Development and sale of light industrial buildings
- (c) Property rental: Property management

The segment information provided by management for the reportable segments and reconciliation to consolidated statement of comprehensive income are as follows:

Group	← Singapore →			Vietnam	Total
	Property development	Property rental	Investment	Property development	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2021					
Revenue from external parties	1,575	1,079	-	-	2,654
Cost of sales from external parties	(1,222)	-	-	-	(1,222)
Gross profit	353	1,079	-	-	1,432
Other income	-	-	73	-	73
Other gains, net	-	-	55	-	55
Selling and distribution expenses	(50)	-	-	-	(50)
Administrative expenses	(43)	(797)	(1,363)	-	(2,203)
Finance expenses	(5)	(273)	(5)	-	(283)
Share of losses of associated companies	-	-	-	(30)	(30)
Profit/(loss) before income tax	255	9	(1,240)	(30)	(1,006)
Income tax expense	(60)	(102)	-	-	(162)
Net profit/(loss) for the financial year	195	(93)	(1,240)	(30)	(1,168)
Segment assets	471	11,838	8,190	-	20,499
Segment liabilities	13	13,191	1,304	-	14,508

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29 SEGMENT INFORMATION (CONTINUED)

<u>Group</u>	← Singapore →			Malaysia	Vietnam	Total
	Property	Property	Investment	Property	Property	
	development	rental		development	development	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2020						
Revenue from external parties	3,090	714	–	–	–	3,804
Cost of sales from external parties	(2,539)	–	–	–	–	(2,539)
Gross profit	551	714	–	–	–	1,265
Other income	–	565	120	–	–	685
Other losses, net	–	(225)	(238)	(266)	–	(729)
Selling and distribution expenses	(129)	–	–	–	–	(129)
Administrative expenses	(47)	(816)	(1,557)	(12)	–	(2,432)
Finance expenses	(84)	(225)	(26)	–	–	(335)
Share of losses of associated companies	–	–	–	–	(21)	(21)
Profit/(loss) before income tax	291	13	(1,701)	(278)	(21)	(1,696)
Income tax credit/(expense)	60	(9)	–	–	–	51
Net profit/(loss) for the financial year	351	4	(1,701)	(278)	(21)	(1,645)
Segment assets	2,115	10,834	7,503	–	–	20,452
Segment liabilities	1,185	8,972	3,226	–	–	13,383

(a) *Revenue from major products and services*

Revenue from external customers is derived mainly from the sale of development properties and rental income in Singapore.

The major revenue attributable from the sale of development properties in Singapore are derived from a single external customer (2020: 2 external customers), amounting to S\$1,575,000 (2020: 3,090,000).

The breakdown of the Group's revenue is disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29 SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

The Group's business segments operate mainly in Singapore and Vietnam.

Singapore – The Company is headquartered. The operations in this area are principally the development and sale of properties and property rental.

Vietnam – The Company's associated companies have operations in this area. The operations in this area are principally the development and sale of properties.

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Non-current assets</u>		
Singapore		
– Investment properties	9,753	10,356
– Trade and other receivables	351	378
– Property, plant and equipment	–	1
Vietnam		
– Investments in associated companies	4,955	4,895
– Financial assets, at FVPL	2,605	1,555
	17,664	17,185

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2022 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PPE) prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

31 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Olive Tree Estates Limited on 25 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2022

SHARE CAPITAL

Number of Issued Shares	:	68,847,711
Number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings ⁽¹⁾)	:	68,845,211
Number and Percentage of Treasury Shares	:	2,500 (0.0036%) ⁽²⁾
Number and Percentage of Subsidiary Holdings	:	0
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings)	:	One Vote per Share

Notes:

(1) "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

(2) Percentage calculated against the number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings).

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHARES	% OF SHARES	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS
1 – 99	4,642	0.01%	820	59.47
100 – 1,000	155,356	0.23%	350	25.38
1,001 – 10,000	471,444	0.68%	159	11.53
10,001 – 1,000,000	4,193,374	6.09%	37	2.68
1,000,001 AND ABOVE	64,022,895	92.99%	13	0.94
TOTAL	68,847,711	100.00%	1,379	100.00

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2022

TWENTY LARGEST ORDINARY SHAREHOLDERS

(As shown in the Register of Members and Depository Register)

NO.	NAME	NO. OF SHARES	%
1	CHIU TENG ENTERPRISES PTE LTD	33,500,000	48.66
2	FONG KIM CHIT	3,750,000	5.45
3	KOH TONG HO	3,750,000	5.45
4	WANG & LEE INVESTMENTS PTE LTD	3,700,098	5.37
5	CITIBANK NOMINEES SINGAPORE PTE LTD	2,966,111	4.31
6	LEE TEE ENG	2,613,118	3.80
7	ONG & ONG ENTERPRISE PTE. LTD.	2,613,118	3.80
8	LONG CHEE TIM DANIEL	2,500,000	3.63
9	TAN HONG BOON	2,058,300	2.99
10	RHT CAPITAL PTE. LTD.	2,000,000	2.90
11	JINCHEN INVESTMENT HOLDINGS PTE. LTD.	1,772,000	2.57
12	JEROME NG YONG DE	1,411,777	2.05
13	PHILLIP SECURITIES PTE LTD	1,388,373	2.02
14	EQUINOX INVESTMENT GROUP LTD	972,000	1.41
15	MAYBANK SECURITIES PTE. LTD.	694,110	1.01
16	RAMESH S/O PRITAMDAS CHANDIRAMANI	686,800	1.00
17	CHINA HUI XIN INVESTMENT MANAGEMENT LTD	416,666	0.61
18	HO CHEE KIN	400,000	0.58
19	XU NAIQUN	259,200	0.38
20	EE BENG CHUAN	116,075	0.17
TOTAL		67,567,746	98.16

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDERS	Direct Interest		Deemed Interest	
	NO. OF SHARES	%	NO. OF SHARES	%
CHIU TENG ENTERPRISES PTE LTD	33,500,000	48.66	–	–
FONG KIM CHIT	3,750,000	5.45	–	–
KOH TONG HO	3,750,000	5.45	–	–
WANG & LEE INVESTMENTS PTE LTD	3,700,098	5.37	–	–

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on the above information and to the best knowledge of the Directors and Substantial Shareholders of the Company, approximately 29.39% of the issued ordinary shares of the Company excluding treasury shares are held in the hands of the public as at 14 March 2022. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Olive Tree Estates Limited (the “**Company**”) will be convened and held by way of electronic means on Friday, 29 April 2022 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

To consider and, if deemed fit, to pass the following Resolutions, as Ordinary Resolutions, with or without modifications:

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr Daniel Cuthbert Ee Hock Huat being a Director who retires pursuant to Regulation 97 of the Company’s Constitution, and who, being eligible, offers himself for re-election. **[See Explanatory Note 1]** **(Resolution 2)**
3. To re-elect Mr Daniel Long Chee Tim being a Director who retires pursuant to Regulation 97 of the Company’s Constitution, and who, being eligible, offers himself for re-election. **[See Explanatory Note 2]** **(Resolution 3)**
4. To re-elect Mr Soh Gim Teik being a Director who retires pursuant to Regulation 103 of the Company’s Constitution. and who, being eligible, offers himself for re-election. **[See Explanatory Note 3]** **(Resolution 4)**
5. To approve the payment of Directors’ Fees of S\$145,000 for the financial year ending 31 December 2022, such Directors’ Fees to be payable on a quarterly basis in arrears. (2021: S\$145,000) **(Resolution 5)**
6. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditor of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if deemed fit, to pass the following Resolution, as Ordinary Resolution, with or without modifications:–

7. SHARE ISSUE MANDATE

THAT pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:–

- I. (a) issue and allot shares of the Company whether by way of rights issue, bonus issue or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (b) make or grant offers, agreements or options (collectively, "Instruments") that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- II. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:-

- (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued shares shall be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:-
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution is passed, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and
 - (ii) any subsequent bonus issue, consolidated or subdivision of shares,

and, in paragraph (a) above and this paragraph (b), "subsidiary holdings" has the meaning given to it in the Catalist Rules of the SGX-ST;

NOTICE OF ANNUAL GENERAL MEETING

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being in force; and
- (d) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest.

[See Explanatory Note 4]

(Resolution 7)

- 8. To transact any other business that may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

LIM HENG CHONG BENNY
JACQUELINE ANNE LOW
Joint Company Secretaries

Singapore, 31 March 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (1) **Resolution 2** – Mr Daniel Cuthbert Ee Hock Huat will, upon re-election, remain as Independent Non-Executive Chairman of the Company, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. Mr Daniel Cuthbert Ee Hock Huat will be considered independent for the purposes of Rule 704(7) of the Catalist Rules as there are no relationships (including immediate family relationships) between Mr Daniel Cuthbert Ee Hock Huat and the other Directors, the Company or its substantial shareholders. Please refer to the section entitled “Additional Information on Directors seeking Re-election” appended to this Notice for detailed information on Mr Daniel Cuthbert Ee Hock Huat as required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.
- (2) **Resolution 3** – Mr Daniel Long Chee Tim will, upon re-election, remain as Executive Director and Chief Executive Officer of the Company. Please refer to the section entitled “Additional Information on Directors seeking Re-election” appended to this Notice for detailed information on Mr Daniel Long Chee Tim as required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.
- (3) **Resolution 4** – Mr Soh Gim Teik will, upon re-election, remain as Independent Non-Executive Director of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Soh Gim Teik will be considered independent for the purposes of Rule 704(7) of the Catalist Rules as there are no relationships (including immediate family relationships) between Mr Soh Gim Teik and the other Directors, the Company or its substantial shareholders. Please refer to the section entitled “Additional Information on Directors seeking Re-election” appended to this Notice for detailed information on Mr Soh Gim Teik as required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.
- (4) **Resolution 7** – Ordinary Resolution 7, if passed, will empower the Directors, effective until (i) the conclusion of the next Annual General Meeting of the Company; (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution 7 is passed, after adjusting for:–

- (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution 7 is passed, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and
- (b) any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

- i. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Members will not be able to attend the AGM in person.

Printed copies of this Notice and Proxy Form will be sent to members. This Notice will also be published on the Company’s website at the URL <https://www.olivetreeestates.com/investors/agm/> and on SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members’ participation in the AGM are:

- (a) observing and/or listening to the AGM proceedings via the live audio-visual webcast and live audio-only stream (Live Webcast);
- (b) submitting questions in advance in relation to the resolutions set out in the Notice of AGM; and
- (c) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.

Online Pre-registration and Submission of Relevant Questions for AGM

NOTICE OF ANNUAL GENERAL MEETING

ii Members will need to complete the following steps to be able to observe the proceedings of the AGM through a live webcast by audio or audio-visual means via their mobile phones, tablets or computers:

- a) Pre-register via email at agm@olivetreeestates.com by 12 April 2022 (5.00 p.m.) to enable the Company to verify their status as members.

Following the verification, authenticated members will receive an email by 14 April 2022. The email will contain the details to access the webcast of the AGM proceedings. Members who have pre-registered by 12 April 2022 but do not receive an email by 14 April 2022 should contact the Company at agm@olivetreeestates.com.

- b) Submit all questions related to the AGM by 12 April 2022 (5.00 p.m.)

iii Members who have pre-registered may also submit questions related to the AGM via email to agm@olivetreeestates.com.

When sending in their questions via email, members are to provide the Company with the following information:

- their full name;
- their address;
- number of shares held; and
- the manner in which the members hold shares in the Company (e.g., via CDP, CPF or SRS).

The Company will publish responses to all substantial and relevant questions received from members on or before 18 April 2022 via announcement on SGXNET and its corporate website.

Proxy Voting

iv. In view of the COVID-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM will be sent to members and can also be accessed at the Company's website at the URL <https://www.olivetreeestates.com/investors/agm/>, and will also be made available on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

v. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

vi. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2022.

vii. The Chairman of the Meeting, as proxy, need not be a member of the Company.

viii. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to the Company at agm@olivetreeestates.com, in either case, not less than forty-eight (48) hours before the time appointed for the AGM.

ix. A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the COVID-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, members are strongly encouraged to submit completed proxy forms electronically via email, where possible.**

x. The 2021 Annual Report may be accessed at the Company's website at the URL <https://www.olivetreeestates.com/investors/annual-reports/> and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

This Notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Ms Bao Qing, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the additional information relating to the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2022, as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
Date of Appointment	22 December 2017	29 July 2015	1 September 2021
Date of last re-appointment	19 June 2020	19 June 2020	Not Applicable
Age	69	52	67
Country of Principal Residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	Based on the recommendation of the Nominating Committee (with Mr Daniel Cuthbert Ee Hock Huat abstaining from the decision-making process), the Board of Directors proposes to the Company's shareholders to approve the re-election of Mr Daniel Cuthbert Ee Hock Huat as Independent Director of the Company.	Based on the recommendation of the Nominating Committee, the Board of Directors proposes to the Company's shareholders to approve the re-election of Mr Daniel Long Chee Tim as Director of the Company.	Based on the recommendation of the Nominating Committee (with Mr Soh Gim Teik abstaining from the decision-making process), the Board of Directors proposes to the Company's shareholders to approve the re-election of Mr Soh Gim Teik as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Responsible for charting the strategic direction of the Olive Tree Estates Limited group of companies	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman, Chairman of Audit Committee, and Member of the Remuneration Committee and the Nominating Committee	Executive Director and Chief Executive Officer	Independent Non-Executive Director, Chairman of the Nominating Committee, and Member of the Audit Committee and the Remuneration Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
Professional qualifications	<p>Master of Science in Industrial Engineering, National University of Singapore</p> <p>Bachelor of Science in Systems Engineering (First Class Honours), Bath University, UK</p>	Bachelor of Laws (LLB) Diploma in Singapore Law (Dip.Sing.Law)	<p>Bachelor of Accountancy, University of Singapore</p> <p>Member, ISCA. Fellow, Singapore Institute of Directors</p>
Working experience and occupation(s) during the past 10 years	Non-Executive director of companies	<p>– Chief Executive Officer, Olive Tree Estates Limited</p> <p>– Managing Partner, Providence Capital Management Pte Ltd</p>	2008 – Present Partner, Finix Corporate Advisory LLP
Shareholding interest in the listed issuer and its subsidiaries	No	2,500,000 ordinary shares in the listed issuer	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None
Conflict of interests (including any competing business)	No	Relationship with Providence Capital Management Pte Ltd regulated by Right of Participation Undertaking as disclosed in the circular to shareholders dated 15 November 2017	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	2008 – 2017 Singapore Institute of Directors	2011 – 2020 Canaan Estates Pte Ltd as Executive Director 2012 – 2022 CT Facilities Management Pte Ltd as Executive Director 2011 – 2021 Providence Asset Management Pte Ltd as Executive Director	2015 – 2020 KS Energy Limited 2008 – 2021 BBR Holdings (S) Ltd 2009 – 2020 National Healthcare Group Pte Ltd 2011 – 2021 EDBI Pte Ltd 2013 – 2020 Integrated Health Information Systems Pte Ltd 2011 – 2020 Singapore Institute of Directors 2008 – 2018 Focus on the Family Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
Present	<p>2018 – Present Independent Director of Ascendas Funds Management (S) Limited (Manager of Ascendas REIT)</p> <p>2015 – Present Chairman, Independent Director of Keppel Infrastructure Fund Management Pte Ltd (Trustee Manager of Keppel Infrastructure Trust)</p> <p>2014 – Present Director of Singapore Mediation Centre</p>	<p>2019 – Present JME Investment Pte Ltd as Director</p> <p>2017 – Present WBH Investments Pte Ltd as Director</p> <p>2017 – Present Chiu Teng 8 Pte Ltd as Director</p> <p>2018 – Present Providence eVentures Pte Ltd as Director</p> <p>2016 – Present Healthcare Ventures II Pte Ltd as Executive Director</p> <p>2007 – Present Providence SOGF Limited as Executive Director</p> <p>2012 – Present Providence Estates (Green Lodge) Pte Ltd as Executive Director</p> <p>2011 – Present Ayin Estates Pte Ltd as Executive Director</p> <p>2011 – Present Providence Capital Partners limited as Executive Director</p> <p>2011 – Present PGP1 Limited as Executive Director</p>	<p>2019 – Present Wilmar International Limited</p> <p>2017 – Present The Farrer Park Company Pte Ltd</p> <p>2017 – Present Farrer Park Hospital Pte Ltd</p> <p>2020 – Present SDAX Exchange Pte Ltd (formerly known as Digiassets Exchange (Singapore) Pte Ltd)</p> <p>2018 – Present Old Rafflesians Association</p> <p>2015 – Present Singapore Science Centre</p> <p>2021 – Present Agency for Science, Technology and Research (A* Star)</p> <p>2019 – Present Consortium for Clinical Research and Innovation Singapore Pte Ltd</p> <p>2020 – Present MOH Holdings Pte Ltd</p> <p>2021 – Present National Healthcare Group Fund</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
		2011 – Present Providence HGF3 Limited as Executive Director 2010 – Present Providence AgriVentures Limited as Executive Director 2007 – Present Providence Capital Management Pte Ltd as Managing Partner and Executive Director	1994 – Present Shanling Investments Pte Ltd 2008 – Present Finix Corporate Advisory LLP
INFORMATION REQUIRED PURSUANT TO CATALIST RULE 704(6)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	Yes. Was previously an Independent Director of KS Energy Limited. Ceased to be director in August 2020 when Judicial Managers were appointed.
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Details	Daniel Cuthbert Ee Hock Huat	Daniel Long Chee Tim	Soh Gim Teik
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

OLIVE TREE ESTATES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200713878D)

IMPORTANT

Alternative Arrangements for Annual General Meeting (the "AGM" or "Meeting")

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of the AGM and proxy form will be sent to members. The Notice of the AGM and proxy form will also be published on the Company's website at the URL <https://www.olivetreeestates.com/investors/agm/>, and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual conference), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 31 March 2022.
3. **Due to the Covid-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend and vote on his/her/its behalf at the AGM.**

Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") Investors

5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 19 April 2022.

Personal Data

6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 31 March 2022.

PROXY FORM

ANNUAL GENERAL MEETING

I/We, _____ (full name in capital letters)

NRIC No./Passport No./Company Registration No. _____

of _____

of (full address) being a member/members of Olive Tree Estates Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be convened and held by way of electronic means on Friday, 29 April 2022 at 3.00 p.m. and at any adjournment thereof. I/We direct the Chairman of the Meeting to vote for or against, or abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your vote(s) "For" or "Against" the relevant resolution, please tick within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please insert the relevant number of shares in the boxes provided. If you wish the Chairman of the Meeting as your proxy to abstain from voting on any resolution, please tick in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**)

	ORDINARY BUSINESS (Ordinary Resolutions)	For	Against	Abstain
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2021, together with the Auditor's Report thereon			
Resolution 2	To re-elect Mr Daniel Cuthbert Ee Hock Huat, a Director retiring pursuant to Regulation 97 of the Company's Constitution			
Resolution 3	To re-elect Mr Daniel Long Chee Tim, a Director retiring pursuant to Regulation 97 of the Company's Constitution			
Resolution 4	To re-elect Mr Soh Gim Teik, a Director retiring pursuant to Regulation 103 of the Company's Constitution			
Resolution 5	To approve payment of Directors' Fees for financial year ending 31 December 2022, to be payable quarterly in arrears			
Resolution 6	To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditor and to authorise the Directors to fix their remuneration			
	SPECIAL BUSINESS (Ordinary Resolution)			
Resolution 7	To approve and adopt the Share Issue Mandate			

Dated this _____ day of _____ 2022

Total Number of Shares Held in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ THE NOTES

Notes to the Proxy Form

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. This proxy form will be sent to shareholders together with the Notice of the AGM. It can also be accessed at the Company's website at the URL <https://www.olivetreeestates.com/investors/agm/>, and will also be made available on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 19 April 2022.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to the Company at agm@olivetreeestates.com, in either case, not less than 48 hours before the time appointed for the AGM.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the COVID-19 related safe distancing measures, and as a safety precaution to prevent the transmission of the COVID-19 virus, members are strongly encouraged to submit completed proxy forms electronically via email, where possible.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or the hand of its attorney or duly authorised officer. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment).
7. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.



OLIVE TREE
ESTATES

OLIVE TREE ESTATES LIMITED

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